

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2001

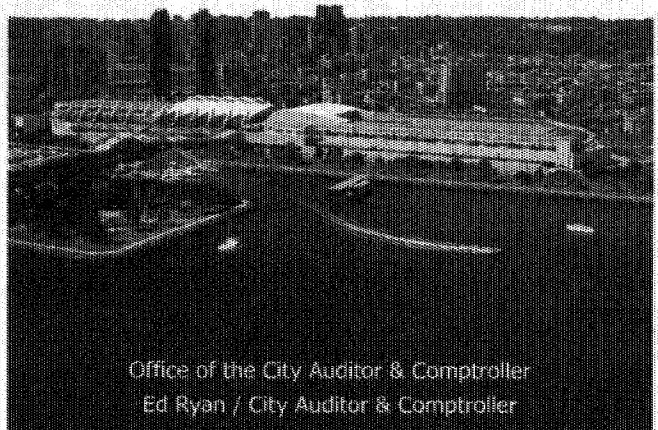
City of
San Diego,
California



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Fiscal Year Ended
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San Diego,
California



Office of the City Auditor & Comptroller
Ed Ryan / City Auditor & Comptroller

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INTRODUCTORY SECTION



THE CITY OF SAN DIEGO

November 30, 2001

Honorable Mayor,
City Councilmembers and the Citizens of the
City of San Diego, California

The Comprehensive Annual Financial Report of the City of San Diego (City) for the Fiscal Year Ended June 30, 2001, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City and its related agencies. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City and its related agencies. All disclosures necessary to enable the reader to gain an understanding of the City's, and its related agencies', financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining, individual fund and account group financial statements and schedules, as well as the independent auditors' report on such financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual Single Audit in conformity with the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations." Information related to this Single Audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate Single Audit report.

In evaluating how to define the governmental reporting entity, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," under which the financial statements include all the organizations, activities, functions, and component units for which the City (Primary Government) is financially accountable.



Office of the Auditor and Comptroller

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Accordingly, the following component units are incorporated in the accompanying financial statements:

- Centre City Development Corporation
- Convention Center Expansion Financing Authority
- City of San Diego Metropolitan Transit Development Board Authority (a joint-powers agency)
- Public Facilities Financing Authority
- Redevelopment Agency of the City of San Diego
- San Diego Convention Center Corporation
- San Diego Data Processing Corporation
- San Diego Facilities and Equipment Leasing Corporation
- San Diego Housing Commission
- San Diego Industrial Development Authority
- San Diego Medical Services Enterprise, LLC
- San Diego Open Space Park Facilities District #1
- Southeastern Economic Development Corporation

The City provides a full range of services. These services include: police and fire protection; sanitation services; the construction and maintenance of streets and infrastructure; recreational activities and cultural events; the expansion, maintenance, and operation of the water and sewer utilities.

The City operates and is governed by the laws of the State of California and its own Charter which was first adopted by the electorate in 1931. The Charter provides for a Council-Manager form of government. The City Council is comprised of eight members elected by district to serve overlapping four-year terms. The City Council, which acts as the City's legislative and policy-making body, appoints the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The Mayor, who presides over the City Council, is elected at large to serve a four-year term.

ECONOMIC CONDITION AND OUTLOOK

The economic outlook on both regional and national levels is a primary issue as we move into 2002. Prior to the events of September 11, 2001, the San Diego Regional Chamber of Commerce (Chamber) had been forecasting that the San Diego economy would continue to grow during **calendar year 2001**, as indicated in the following tables and statistical indicators.

The extent of the economic impacts associated with the attacks on New York, N.Y. and Washington, D.C. as well as any related military response are unclear at this time. The economies of the State of California and the United States have been experiencing a substantial decline in the rates of growth along with growing unemployment. Even with our best efforts, it is difficult to fully anticipate how the economy will impact local revenues and expenditures.

Indicator	Calendar year			Annual Change	
	Actual 1999	Estimate 2000	Forecast 2001	'99/'00	'00/'01
Gross Regional Product (billions)	\$ 101.4	\$ 110.2	\$ 117.3	8.7%	6.4%
Inflation					
Consumer Price Index- All Urban Consumers	172.8	182.8	191.5	5.8%	4.8%
Taxable Sales					
Total (millions)	\$32,752.4	\$35,700.1	\$38,199.1	9.0%	7.0%
Taxable Retail Sales (millions)	\$22,235.7	\$24,392.5	\$25,856.1	9.7%	6.0%
Per Capita Retail Sales	\$ 7,710	\$ 8,300	\$ 8,560	7.7%	3.1%

Source: Economic Research Bureau, San Diego Regional Chamber of Commerce.

Some primary General Fund revenue sources are not expected to be affected in Fiscal Year 2002, such as Property Taxes which are expected to come in above budgeted amounts. Motor Vehicle License Fees (MVLFF) received through October 2001 have come in slightly above budgeted amounts. Transient Occupancy Tax (TOT) which is linked to general and business travel is expected to experience a lower level of growth than original forecasts. The extent of the impact to local Sales Tax, which the City conservatively budgeted at a lower growth rate than forecasted, is too early to determine at this time.

In encouraging economic news, after an initial decline in September, the U.S. Department of Commerce reported that personal spending by Americans rose by a record 2.9 percent in October. The jump was led by the biggest increase in spending ever on autos and durable goods.

The length and depth of the economic slowdown is not known, and the City has done its best to conservatively estimate the revenue to fund Fiscal Year 2002. Economic indicators will be closely monitored to appropriately plan and make adjustments as necessary to maintain a balanced budget for Fiscal Year 2002.

Employment Indicators

The unemployment rate is a critical indicator of relative strength in the local economy. Reflecting continued strength in the local job market, San Diego's unemployment rate fell from an average of 3.1% during **calendar year** 1999 to 3.0% during **calendar year** 2000. The actual unemployment rate through October 2001 is averaging 3.1%, below initial forecasts.

The lower unemployment rate is due to continued job growth into **calendar year** 2001, with the forecasted addition of another 35,000 new jobs, pushing the forecasted monthly average for the year to 1,243,300.

Indicator	Calendar year			Annual Change	
	Actual 1999	Estimate 2000	Forecast 2001	'99/00	'00/'01
Population	2,911,500	2,963,500	3,013,500	1.8%	1.7%
Employment					
Civilian Labor Force	1,316,100	1,362,100	1,397,100	3.5%	2.6%
Employed	1,358,000	1,404,200	1,444,100	3.4%	2.8%
Unemployed	41,900	42,100	47,000	0.5%	11.6%
Unemployment Rate	3.1%	3.0%	3.3%	(0.1%)	0.3%
Payroll Employment	1,164,100	1,208,300	1,243,300	3.8%	2.9%
Personal Income					
Average Household Income	\$83,500	\$88,500	\$94,100	6.0%	6.3%
Per Capita Income	\$29,490	\$31,057	\$33,025	5.3%	6.3%

Source: Economic Research Bureau, San Diego Regional Chamber of Commerce.

Manufacturing remains the single most important component of the local economy. Manufacturing employment increased in **calendar year 2000** with the addition of 1,600 jobs, and continued during the first ten months of **calendar year 2001** with an increase of 700 jobs.

Construction, like manufacturing, is a major source of high wage employment that stimulates other sectors of the economy. Construction employment grew by approximately 3,400 during **calendar year 2000**, after increasing by approximately 5,200 during 1999. Construction employment has continued to grow during the first ten months of **calendar year 2001**, adding 3,000 jobs over the same period in 2000.

Combined, the Retail and Wholesale Trade sectors account for 22% of total nonagricultural wage and salary employment during **calendar year 2000**. Wholesale trade added approximately 2,000 jobs in **calendar year 2000**, following a similar gain of 2,000 during **calendar year 1999**. Retail trade employment increased by approximately 9,400 in **calendar year 2000** after increasing by approximately 5,000 in **calendar year 1999**. Both components of the Trade sector continued to show growth during the first ten months of **calendar year 2001**, with Wholesale Trade jobs up by 1,000 jobs, and the Retail Trade component adding 4,700 jobs.

Employment in the Finance, Insurance and Real Estate sector increased by approximately 1,100 jobs during **calendar year 2000**, after adding approximately 3,400 jobs during **calendar year 1999**. Employment continued to expand through the first ten months of **calendar year 2001**, with average employment up by 1,400 over the same period in **calendar year 2000**.

Employment in the Services sector grew by approximately 18,900 jobs, or 5.0% in **calendar year 2000**, following a gain of 22,100 jobs the previous year. Sectors with the largest increases included Business Services (+7,500) and Engineering and Management (+4,300). The Services sector continued to grow during the first ten months of **calendar year 2001**, leading all industries, with a net gain of 16,900 jobs. Within the Services sector, Business Services and Engineering & Management continued to lead other components with increases of 3,700 and 4,100 respectively, over the same period in **calendar year 2000**. It should be noted that the Business Services and Engineering & Management components include many of the City's high tech employers.

The Government sector, which accounted for 17% of the total nonagricultural wage and salary employment, grew by approximately 7,500 jobs during **calendar year 2000**. Government employment continued to grow through the first ten months of **calendar year 2001**, with average employment up by 7,200 jobs over the same period in **calendar year 2000**.

Other Indicators

The UCLA Anderson Forecast predicts that the national and California economies will resume positive growth in the second quarter of **calendar year 2002**. The UCLA economists report that San Diego's economy continues to show more health than the rest of the state. Among major employment centers, only Orange County had a lower unemployment rate than San Diego in October. San Diego's office vacancy rate is the lowest of any major California market according to UCLA's forecasters.

Construction activity continued at a strong pace in the City during Fiscal Year 2001, with \$1.88 billion in building permits issued during the fiscal year, the second highest total since Fiscal Year 1989. A total of 5,904 residential units were authorized during Fiscal Year 2001, the third highest total in a decade.

The growth in San Diego construction activity has been driven by strong demand in both the residential and nonresidential markets. According to the Chamber, the price of an average single family home grew by 16.6% in 2000, and is projected to grow by 10.0% during **calendar year 2001**.

Indicator	Calendar year			Annual Change	
	Actual 1999	Estimate 2000	Forecast 2001	'99/'00	'00/'01
Single – Family Homes					
Average Price	\$270,900	\$315,800	\$347,400	16.6%	10.0%
Median Price	\$220,000	\$277,500	\$310,700	26.1%	12.0%

Source: Economic Research Bureau, San Diego Regional Chamber of Commerce

As the nation's economy slides, market analysts here do not believe the San Diego region will be hit as hard as the rest of the country. There are a number of reasons for this belief, including a diversified economy, an increase in defense spending here and continued investment in local businesses. They also point to one important sector, the local commercial real estate market.

In the commercial real estate market, Burnham Real Estate Services reports that a record of 4.6 million square feet of office space was absorbed in San Diego County during **calendar year 2000**. 6.4 million square feet of new office and industrial/R&D space was developed in San Diego County.

During Fiscal Year 2001, California had been in the midst of an unprecedented energy crisis that caused significant economic impacts for the City of San Diego, its residents and businesses. The dramatic increase in energy costs had an impact on the City's expenditures for energy. In Fiscal Year 2000, the City's General Fund paid approximately \$5.1 million for energy (electricity and natural gas). Due to the significant increase in energy costs, energy expenditures for Fiscal Year 2001 were approximately \$10.3 million.

The budget impact of higher energy costs was offset to a certain extent by an increase in franchise

fees received by the City. San Diego Gas & Electric (SDG&E) pays a franchise fee to the City equal to 3% of its gross in-city sales of natural gas and electricity. Due to the recent increase in energy prices, for the Fiscal Year 2001, the General Fund received approximately a net of \$5.2 million more than was budgeted.

In February 2001, the City Manager established a centralized Energy Conservation and Management Program. The goal of the program is to achieve energy independence for the City. The Energy Conservation and Management Program will develop and oversee an energy conservation plan for City facilities, identify incentives to encourage conservation in new private development, develop a public education program, study the feasibility of forming a municipal utility district in cooperation with the County of San Diego, analyze the City's ability to employ renewable energy sources, and review and advocate energy legislation that benefits the City of San Diego and the community.

MAJOR ACCOMPLISHMENTS/ACTIVITIES

For The Fiscal Year

The City of San Diego has long been recognized as a well managed City and a national leader in fiscal and performance management. These characteristics have consistently earned the City a strong bond rating. Combined with the City's history as a continuous innovator in new processes and technologies, this makes the City of San Diego a role model in providing quality services at a low General Fund \$473 per capita cost based on Fiscal Year 2000 actual statistics. Despite the low cost per capita of service delivery, statistically significant opinion surveys continually show resident satisfaction with City services at an exceptionally high rate, with the most recent survey reflecting a 92% resident satisfaction rating.

In its May 2001 issue, the Reason Public Policy Institute published the results of a study of 44 of the nation's 50 largest cities. In this report, San Diego was ranked first in California and sixth overall for providing efficient government services to its citizens. The City Library system tied with six other cities for recognition as the most efficient in the nation. San Diego also received high marks for parks, trash pickup, fire service, and quality of public information.

To continue enhancing the Library System, Council approved a new policy and Municipal Code section intended to address the need for adequate library funding while retaining the necessary discretion to annually appropriate the General Fund to meet the City's needs.

The City of San Diego's park system had the largest percentage of growth in the last 20 years of any city in the nation, according to *Inside City Parks*, a book by the Urban Land Institute. Since 1970, 24,420 acres of park land have been added in the City, a 297 percent growth. San Diego tied for second in the country in total amount of park space. There are now 32,650 acres of municipal parks in San Diego, and another 3,458 acres in federal, state and county parkland within the City.

The program to improve the quality of City roadways reached a milestone when the City completed its 2001 fiscal year goal of slurry sealing more than 60 miles of streets in 555 locations. Approximately 31,400 tires were recycled to make the emulsion used to slurry seal the streets. The 2001 fiscal year road resurfacing project was completed with nearly 40 miles of roadways resurfaced at 314 locations. Approximately 19,300 tons of pavement were excavated and will be recycled on other street projects.

In February, the City opened Phase I of the Interstate 805 and Nobel Drive interchange. Nobel Drive is now a six-lane road, and the new interchange will help ease commutes. As part of the \$27.8 million project, City engineers also built a sound berm adjacent to the southbound Governor Drive off-ramp,

and a bridge over Miramar Canyon is underway. In September, construction on Phase II of the project began to extend Nobel Drive east of I-805 with a four-lane connection through Marine Corps Air Station Miramar to Miramar Road. Phase II is slated to be completed in February 2002.

The City's investment in rebuilding its aging water infrastructure continues to show progress as a number of projects were completed or started in recent months. They include:

- Installation of a 48-inch pipeline for the Mid-City Pipeline Project with resurfacing of El Cajon Boulevard between 70th Street and Marlborough Avenue to begin this fall. The \$25 million, five-mile pipeline project began in January 2000 and will be finished in spring 2002.
- The 65th and Herrick Street Water Pump Station and the Encanto Park Pipeline were completed in August and will enhance water service reliability in Encanto and Skyline/Paradise Hills.
- A new filtration system has been installed at the Alvarado Water Treatment Plant to help the City meet new and more stringent water quality regulations.
- Excavation work has begun on the tunnel for the 84-inch pipeline for the upgrade and expansion of the Miramar Water Treatment Plant. Construction on the three-phase project began in June.

The City was awarded a \$486,000 grant to help prevent rolling blackouts in the area. The grant from the California Energy Commission will allow the Metropolitan Wastewater Department to remotely control generators at eight pump stations, the Metropolitan Operations Complex, and the Point Loma Wastewater Treatment Plant to increase the amount of power available during periods of energy shortages. These new generators will join the department's co-generation and gas utilization facilities as energy producers.

The City's "6 to 6" Extended School Day Program will receive \$1.6 million in 21st Century Community Learning Center funds from the U.S. Department of Education to allow an additional 1,500 students to enroll in the program at 10 of the lowest performing schools in the San Diego Unified School District.

The passage of State Propositions 12, 13, and 14 should provide significant revenues to the City. Proposition 12 will provide \$14.4 million for City park projects, as well as a yet-to-be-determined amount for local habitat acquisition. Proposition 13 will provide funds to the City for federally-authorized flood control projects, drinking water systems, and various projects involving wastewater treatment, water supply, water recycling, and water conservation. Proposition 14 will help fund the construction and renovation of City library facilities in order to expand access to reading and literacy programs in public libraries.

In May 2000, the Redevelopment Agency executed a disposition and development agreement with the Corky McMillin Companies as Master Developer to implement the Navy Training Center (NTC) Reuse Plan. The majority of the vacated federal property was conveyed to the City from the Navy in May 2000. The redevelopment of NTC will be completed in phases over a five to seven year period and includes: 350 residential units; 495,000 square feet of educational uses; 380,000 square feet of office space; a 625,000 square foot mixed use area primarily within a historic district, including 324,000 square feet of commercial uses, 301,000 square feet of civic, arts and cultural uses and a 22 acre golf course; 46 acres of park and open space; two hotels; a Metropolitan Wastewater Department water testing laboratory; and a Regional Public Safety Training Institute. Fifty-two historic

buildings will be rehabilitated.

The 2001 PGA TOUR Buick Invitational was played at Torrey Pines Municipal Golf Course in February. The 2001 Buick Invitational will mark the 49th consecutive year a PGA TOUR event has been held in San Diego, beginning with the San Diego Open in 1952. The 2001 Buick Invitational featured a full field of 156 players featuring a record purse of \$3.5 million. Last year's television rating for this event was the third highest rating for any golf event last year. Since the tournament was moved to Torrey Pines Golf Course in 1968, the Century Club and its title sponsors have donated nearly \$5 million to San Diego based charities.

The City Council approved the creation of the Midway/North Bay Business Improvement District in August 2000. The district represents more than 600 businesses and approximately \$150,000 in annual self-assessment fees for revitalization efforts. The business association plans to develop a homeless intervention program, clean up sidewalks and streets, and develop street banners. Other goals include the creation of a business directory, special events, marketing, and advertising. The City's business improvement district system, the largest in California, now encompasses 19 communities and nearly 11,000 businesses.

San Diego made the top 10 of *Forbes Magazine's* Best Places in America to do business or advance one's career. Nearly 300 metro areas were measured according to wage and salary growth, job growth, and high-tech output growth, among other criteria. San Diego ranked sixth on *Forbes'* list. Last year, San Diego ranked 12th on the list. This year's ranking showed that the best places to do business are technology hubs where entrepreneurs can feed off of top knowledge institutions and where business costs are low, according to the magazine.

San Diego is the nation's third largest "cybercity" in consumer electronics manufacturing employment, according to *Cybercities: A City-by-City Overview of the High-Technology Industry*, an analytical report by the American Electronics Association and the NASDAQ Stock Market.

San Diego has earned fifth place in a new ranking of how well U.S. metropolitan areas are adapting to the New Economy and positioning themselves to thrive in high-tech industries of the future. The study, released by the Washington-based Progressive Policy Institute, ranked San Diego high in such indicators as formation of new companies, availability of venture capital and success in patenting new technologies. While San Diego is already known as one of the nation's centers for biotechnology and telecommunications companies, the fifth-place ranking as a technology center was unusually strong. According to the authors of the Progressive Policy Institute report their study was different in that it tried to quantify factors such as work-force education and availability of startup funding that create an attractive environment for dynamic companies. By those measures, the authors said San Diego stands out.

After Fiscal Year

The \$216.3 million San Diego Convention Center Expansion project is complete and the expanded area is open for business after 36 months of construction. The project doubled the size of the center's interior to 1.7 million square feet with 525,701 square feet of contiguous exhibit space. More than 280 events have already been booked through 2022.

The new Fire Station No. 37 in Scripps Ranch was dedicated in November to the firefighters who perished in the September 11 terrorist attacks and to City firefighters who protect citizens every day. The \$2.5 million fire station was funded by Corky McMillin Co. and Brookfield Homes as part of a development agreement with the City. The station includes a fire safety learning center for children.

The City's efforts to revitalize City Heights took another step forward with the grand opening of the retail phase of the City Heights Urban Village. The new development includes an Albertson's grocery store and several shops and restaurants that will bring needed amenities to the community. The Urban Village is a 10-block redevelopment partnership between the City's Redevelopment Agency, CityLink Investment Corp., Price Charities, and the City Heights community. Several City facilities, an elementary school, and an adult learning center have already been completed.

The grand opening was held for Las Americas, a partnership between the City's Redevelopment Agency and LandGrant Development. The San Ysidro project is located on the U.S.-Mexico border and includes 370,000 square feet of open-air retail and restaurant space. A second phase, scheduled to open in late 2002, will add 270,000 square feet of retail and restaurant space. A proposed third phase would include a pedestrian bridge to Tijuana, a new port of entry facility, a transit center, a hotel and conference center, an office building, and more retail shops.

Work continues on the City's \$773 million program to improve its water delivery system, including:

- A \$2.4 million project to replace one of the City's oldest water transmission mains begins in November. This second phase of the Bonita Pipeline Project removes the remaining section of the original 85-year-old, cast-iron pipeline and replaces it with 3,200 feet of 30-inch concrete pipe. The pipeline is scheduled to be complete in fall 2002.
- A tunnel will be created under Scripps Lake Drive for an 84-inch pipeline as part of the upgrade and expansion of the Miramar Water Treatment Plant. The pipeline will supply drinking water to communities in the northern portion of San Diego. Using a tunnel instead of an open trench will lessen traffic impacts. The first phase of construction will be complete sometime next year. The entire project is scheduled to be completed in 2008.

The voter-approved Ballpark District, when implemented by the City and the Redevelopment Agency, would give San Diego a new urban-style baseball park, and related office space, retail, hotel, parking, and commercial development within a Ballpark Redevelopment District in the Centre City East area of downtown San Diego.

The City's commitment to maintain services to the citizens and increase public safety spending continued in the Fiscal Year 2002 Budget, including:

- Seven ethics commissioners were appointed on July 31, 2001 and \$300,000 will be allocated to assist in the establishment of the ethics commission.
- To create neighborhoods that we can be proud of, the Park and Recreation Department will open several new facilities with the addition of 3.76 positions and support totaling \$692,000 in Fiscal Year 2002.
- To clean up our beaches and bays, the Storm Water Pollution Prevention Program will establish a Citywide Municipal Storm Water Permit working group to develop, submit and implement a storm water discharge plan to meet the Regional Water Quality Control Board requirements.
- Twenty additional sworn police officers, partial funding for a new fire helicopter to assist with fire prevention, and 3.50 lifeguards will be added to patrol our beaches and bays so that San Diego will be "America's Safest City."

- To pursue energy independence, the Energy Conservation and Management Program was created, including an additional 7.00 positions and \$793,000 to address the ongoing energy crisis.
- To complete the Multiple Species Conservation Program Open Space acquisitions, the Park and Recreation Department will add support costs totaling \$88,000 and the Planning Department will purchase additional acreage of wildlife habitat.
- \$6.8 million of fire apparatus including 17 vehicles will be funded through the Equipment and Vehicle Financing Program with delivery expected in Fiscal Year 2003.
- The unappropriated General Fund Reserve totals \$19.0 million in the Fiscal Year 2001 Budget, a 25% increase over Fiscal Year 2000. The unappropriated Reserve was established to fund major General Fund emergencies and to assist in maintaining a favorable bond rating.

Highlights of the Fiscal Year 2002 Capital Improvement Program are as follows:

- \$4.1 million for design and construction of a portion of the \$31.2 million Fire Station Facility Improvement project.
- \$1.8 million for Phase II construction costs of the Beach Area Sewage Interception/Low Flow Storm Drain Diversion Project.
- \$7.8 million for design and construction of the Point Loma Branch Library.
- \$4.4 million for the design and construction of the North University Community Branch Library.
- \$3.2 million for design and construction of the College Heights Branch Library.
- \$2.0 million for the design and land acquisitions of the Ocean Beach Branch Library.
- \$3.0 million for design and construction of the Northwestern Area Police Station. Total project cost is \$10.0 million with completion scheduled in 2003.
- \$2.5 million for design and construction for relocating the Police Central Garage and Motorcycle Shop. Total project cost is \$7.8 million with completion scheduled in 2003.
- \$8.2 million for design and construction of North Torrey Pines Road Bridge over Los Peñasquitos Creek.
- \$7.2 million for improvements to Carroll Canyon Road from Sorrento Valley Road to Scranton Road.
- \$5.7 million for La Jolla Village Drive/Interstate 805 interchange ramps.
- \$3.3 million for Judicial Drive from Golden Haven Drive to Eastgate Mall.
- \$2.8 million for Ocean View Hills Parkway improvements.
- \$1.1 million for Mission City Parkway Bridge over San Diego River.

- \$127.1 million will continue the \$2.5 billion upgrade of the City's metropolitan and municipal wastewater system. This includes the South Bay Water Reclamation Plant, the Point Loma Digester Facility Upgrade and Expansion, Phase I of the South Bay Pump Station and Conveyance System, the South Bay Reclamation and Sewer Pump Station, and the continued replacement of concrete sewer mains and upgrades to the sewer infrastructure.
- \$146.4 million for the replacement of cast iron water mains, upgrade/expansion of water transmission pipelines, upgrades to water pump stations and treated storage facilities, and improvements/expansion of water treatment.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluations by management and the internal audit staff of the City. As part of the City's Single Audit, described earlier, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's Single Audit for the fiscal year ended June 30, 2000, provided no instances of material weaknesses in the internal control structure or significant violation of applicable laws and regulations.

The Single Audit for the fiscal year ended June 30, 2001, is currently in progress. The City's management is of the opinion that the results of the Single Audit for Fiscal Year 2001 will not change from that of the previous year.

Budgeting Controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, certain Special Revenue Funds and certain Debt Service Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity or object class within an individual fund. The City Auditor and Comptroller works closely with the Financial Management Department to monitor fund balances, as well as revenue projections, throughout the fiscal year. Variations from budget plans are alleviated in a number of ways, including expenditure reductions or deferrals.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are reported as reservations of fund balances since the commitments will be honored in subsequent years.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents (in thousands) a summary of **General Fund, Special Revenue Funds and Debt Service Funds** revenues for the fiscal year ended June 30, 2001, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Dollar Increase (Decrease) from FY 2000</u>	<u>Percent Increase (Decrease)</u>
Property Taxes	\$195,552	17.6%	\$ 22,225	12.8%
Special Assessments	18,775	1.7	318	1.7
Sales Tax	180,077	16.2	6,563	3.8
Other Local Taxes:				
Transient Occupancy Tax	109,879	9.9	13,058	13.5
Franchises	53,980	4.9	7,830	17.0
Gasoline and Other Taxes	29,318	2.6	1,148	4.1
Licenses and Permits	26,624	2.4	70	0.3
Fines, Forfeitures and Penalties	32,901	3.0	1,760	5.7
Revenue from Use of Money and Property	85,106	7.7	9,293	12.3
Revenue from Federal Agencies	36,725	3.3	(9,981)	(21.4)
Revenue from Other Agencies	212,521	19.1	21,792	11.4
Revenue from Private Sources	21,299	1.9	4,058	23.5
Charges for Current Services	101,781	9.2	6,781	7.1
Other Revenue	<u>5,724</u>	<u>0.5</u>	<u>(5,415)</u>	<u>(48.6)</u>
Total	<u>\$1,110,262</u>	<u>100.0%</u>	<u>\$79,500</u>	

Property Tax revenue increase is primarily attributed to the increase in assessed property valuations.

TOT revenue increase is primarily attributed to higher occupancy and room rates as a result of economic growth

Franchise revenue increase is primarily attributed to increased SDG&E franchise payments from rate increases and higher utility usage.

Revenue from Use of Money and Property increase is primarily attributed to increased interest earnings due to a higher rate of return on pooled investments combined with higher average cash balances and increased rental income due to economic growth.

Revenue from Federal Agencies decrease is primarily attributed to decreases in grants for law enforcement and Community and Economic Development program activities.

Revenue from Other Agencies increase is primarily attributed to increased Motor Vehicle License fees, Assembly Bill 2928 transportation relief funds received, increased "6 to 6" Extended School Day Program grants, and a new State grant for law enforcement.

Revenue from Private Sources increase is primarily attributed to increased payments from developers as a result of an increase in development processing and increased developer contributions for habitat acquisition programs.

Other revenue decrease is primarily attributed to decreased Police grant revenue match within the Police grant funds.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Dollar Increase (Decrease) from FY 2000</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$87,672	8.4%	\$11,685	15.4%
Community and Economic Development	27,830	2.7	11,541	70.9
Public Safety	406,555	38.9	10,614	2.7
Libraries	31,364	3.0	5,127	19.5
Parks, Recreation and Culture	114,923	11.0	9,200	8.7
Public Works	152,278	14.6	2,493	1.7
Housing and Community Development	13,580	1.3	45	0.3
Other	11,960	1.1	1,911	19.0
Capital Projects	18,334	1.8	1,942	11.8
Debt Service:				
Principal	54,233	5.2	11,206	26.0
Interest	<u>125,330</u>	<u>12.0</u>	<u>(2,290)</u>	(1.8)
Total	<u>\$1,044,059</u>	<u>100.0%</u>	<u>\$63,474</u>	

General Government expenditures increase is primarily attributed to increases in Attorney staff to support various departments, development and support of various citywide information systems, and payments for office space rental and improvements.

Community and Economic Development expenditures increase is primarily attributed to expansions of the "6 to 6" Extended School Day Program, the Multiple Species Conservation Program, and the Community Service Center Program.

Libraries expenditures increase is primarily due to staffing increases to support the County's Adult Literacy Program and increased purchases of books and materials.

Other expenditures increase is primarily attributed to costs of issuance for various Redevelopment bonds.

Capital Projects expenditures increase is primarily attributed to the purchase of transitional housing for the homeless.

Principal expenditures increase is primarily attributed to initial debt service payments for Sewer Revenue Bonds, City Heights Tax Allocation Bonds, and Reassessment District Bonds, as well as scheduled increases in debt service payments for MTDB Lease Revenue Refunding Bonds and Miramar Ranch North Special Assessment Bonds.

Pursuant to Article XIIIB of the California Constitution (known as the GANN Limit) the City must compute an annual appropriations limit which places a ceiling on the total amount of tax revenues the City can actually appropriate annually. This limit is adjusted each year using the following factors: (1) the percentage change in California Per Capita Income, or the change in the City's non-residential assessed valuation due to new construction, whichever is greater and (2) the percentage change in the Citywide or Countywide population, whichever is greater.

The City's total appropriation was \$2,341,890,104 for Fiscal Year 2001 as compared to \$2,203,737,319 in Fiscal Year 2000. A portion of this appropriation was derived from proceeds of taxes as defined by Article XIIIB (GANN) of the State Constitution. The City did not exceed the total GANN Limit at fiscal year end. The Fiscal Year 2001 General Fund budget, excluding prior year encumbrances, was \$674,803,511 as compared to \$618,204,871 in Fiscal Year 2000. It is estimated that the City will be under the GANN Limit by approximately \$34 million in Fiscal Year 2001.

The Community Development Block Grant is received by the City on an annual basis under Title I from the U.S. Department of Housing & Urban Development and is administered by the Community Services Program of the City Manager's Department. The annual entitlement for the program year 2001 was approximately \$18,911,000 as compared to approximately \$18,950,000 for the program year 2000.

General Fund Balance. The undesignated fund balance of the General Fund was approximately \$51,160,000 at fiscal year-end. This was comprised of approximately \$20,050,000 of revenue and other sources over estimate; approximately \$15,855,000 in appropriation savings, net of designated for subsequent years' expenditures; and approximately \$15,255,000 of Fiscal Year 2000 unappropriated fund balance.

Capital Projects Fund Balances. The undesignated fund balances for the **City Oversight Unit Capital Projects Funds** totaled approximately \$115,727,000 at fiscal year-end. The individual balances are generally restricted for the established purposes of their specific fund category. The primary sources for financing the City's Capital Improvement Program are sales (transnet) tax, developer impact fees, facility benefit assessments, and land sales. The following schedule presents (in thousands) a summary of the **City Oversight Unit Capital Projects Funds** undesignated fund balances as of June 30, 2001. A large portion of these balances have been included for appropriation in the City's Fiscal Year 2002 Six Year Capital Improvements Program.

<u>Fund Category</u>	<u>Amount</u>	<u>General Use</u>
Capital Outlay	\$7,139	Public Improvements and Acquisition
Other Construction:		
Facility Benefit Assessment Districts	32,169	District Public Improvements
Development Impact Fees	8,314	District Public Improvements
Park Service Districts	3,403	District Park Improvements
Urban Impact Fees	5,634	District Park Improvements
Development Agreements	8,216	District Public Improvements
1915 Act Districts	40,022	District Public Improvements
Cost Reimbursement Districts	2,957	
Other Capital Projects	<u>7,873</u>	Various Capital Improvements
Total	<u>\$115,727</u>	

Tentative long-term plans for these funds are generally reflected through development plans and/or the annual preparation of the Six Year Capital Improvements Program. An annual budget is adopted for the Capital Outlay Fund reflecting related minor non-capitalized costs and the net change to its long-term capital plan for the current year. The changes in the Six Year Capital Improvements Program between Fiscal Year 2000 and Fiscal Year 2001 reflected projected scheduling adjustments as well as available funding.

Enterprise Operations. The **City Oversight Unit Enterprise Operations** are comprised of nine separate and distinct activities: Airports, consisting of Brown Field and Montgomery Field; The Centre;

City Store; Development Services; Environmental Services; Golf Courses, consisting of Balboa and Torrey Pines courses; Recycling; Sewer Utility; and Water Utility. The fiscal year-end unreserved retained earnings of approximately \$1,164,906 for the City's enterprise activities reflects approximately \$25,744,000 available for appropriation with the balance reflecting investments in enterprise assets, continuing project appropriations, encumbrances and tentative future commitments.

The following schedule displays the undesignated amounts (in thousands) available for appropriation at fiscal year-end for enterprise activities.

<u>Activity</u>	<u>Amount</u>
Airports	\$ 3,533
The Centre	0
City Store	219
Development Services	0
Environmental Services	9,978
Golf Courses	2,985
Recycling	9,029
Sewer Utility	0
Water Utility	0
Total	<u>\$25,744</u>

Airports net income for the year was approximately \$1,162,000 compared to a net loss of \$104,000 the previous year. Operating revenues increased by \$538,000 mainly due to increased rents and concessions. Operating expenses decreased by \$318,000 mainly due to a decrease in Brown Field non-aviation lease expenses. Other non-operating revenues increased by \$413,000 due to a \$141,000 increase in interest earnings, a \$110,000 increase in operating grant revenue, and a \$162,000 decrease in loss on retirement of fixed assets.

Development Services net loss was approximately \$2,976,000 as compared to the net loss of \$3,346,000 for the previous year. This change was the result of the following: reimbursement of expenses related to the remodeling and asbestos abatement of the City Operations Building for \$2,383,000; an increase in Commercial Plan Check Fees of approximately \$2,433,000; an increase in interest earnings of approximately \$915,000. The increase in revenues was partially offset by the increase in operating expenses of approximately \$4,821,000 mainly due to an increase in staffing levels.

Environmental Services net income for the year was \$8,821,000 compared to \$7,022,000 during the prior year. There was an increase of revenue of \$1,223,000 resulting from an increase in tonnage disposed at the landfill. In addition, operating expenses increased \$347,000 and interest income increased \$1,029,000.

Golf Course net income was approximately \$1,894,000 as compared to the net income of \$722,000 for the previous year. This change was mainly the result of increased revenue from golf shop rent/concession fees of approximately \$182,000 and an increase in Golf fee revenue of \$784,000 due to a rate increase.

Recycling net income was \$7,165,000 compared to \$5,811,000 in the previous year. Operating revenues increased \$2,998,000 mainly due to revenues received in the amount of \$2,400,000 from the California Beverage Container Recycling and Litter Reduction Act. In addition, maintenance and operations expenses increased \$2,086,000 mainly due to expansion of the Curbside Recycling Program and interest income increased \$545,000.

Sewer Utility net loss for the year was approximately \$15,224,000 compared to last year's net income of \$14,087,000. The change was due to the following: total operating revenues decreased by \$7,188,000 mainly due to a decrease in revenues from sewage treatment plant services to others; total operating expenses increased by \$33,494,000 mainly due to increased costs related to the various sewer pumping stations of \$6,541,000; an increase in liability claims expense of \$6,973,000 due to spills in Alvarado and Tecolote Canyons; an additional \$9,235,000 for the City's contribution to the Hale Avenue Resource Recovery Facility Expansion project and increased administration expenses of \$4,766,000; total non-operating revenue increased by \$11,051,000 mainly due to an increase of \$14,000,000 in interest earnings due to higher cash balances after the receipt of the remaining Bond proceeds; and an increase of \$4,740,000 on the loss on the retirement of fixed assets.

Water Utilities net loss for the year was approximately \$4,731,000 as compared to net income of \$11,031,000 in the previous year. This change is due to the following: total operating revenue decreased \$9,406,000 due to the decreased sale of water and other revenue; total operating expenses increased \$19,512,000 mainly due to an increase of \$11,041,000 in water purchases and \$11,631,000 in administration. This was partially offset by an increase in interest earnings of \$6,116,000 and an increase in other non-operating revenue of \$7,898,000 due to revenue received from the Bond Acquisition fund.

Pension Trust Fund Operations. The City Employees' Retirement System (CERS) continued to maintain a sound financial status in Fiscal Year 2001. Operating revenues of approximately \$110,263,000 were realized as compared to \$458,992,000 in Fiscal Year 2000. This decrease was primarily due to realized net losses in domestic and international stocks which was a direct result of sharp declines in the global equity markets. Also, included in these amounts were approximately \$133,881,000 and \$110,482,000 in contributions for Fiscal Year 2001 and 2000, respectively. This increase was due to increased participation in the Deferred Retirement Option Plan (DROP) and the employee buy back program.

Operating deductions for the year were approximately \$160,941,000 as compared to approximately \$116,227,000 in Fiscal Year 2000. This increase in operating deductions was generally the result of annual cost of living adjustments, adjustments in benefits, and normal growth in the number of retirees.

The latest annual actuarial valuation as of June 30, 2000, showed pension funding at a 98.7% level compared to 94.4% at June 30, 1999.

Debt Administration. At June 30, 2001, the **City Oversight Unit** had a small number of debt issues outstanding. These issues included approximately \$18,075,000 of general obligation bonds, approximately \$1,900,000 of revenue bonds/certificates of participation, and approximately \$163,997,000 of special assessment/Mello-Roos debt. The City has an AA+ rating from Fitch IBCA, an Aa1 rating from Moody's Investors Service, and an AA rating from Standard & Poor's on general obligation bond issues.

Cash Management. The City Treasurer is responsible for the investment of the City's cash. Eligible investments are obligations of the U.S. Treasury and U.S. Agencies, demand deposits, negotiable certificates of deposit, bankers' acceptances, medium-term corporate notes, repurchase agreements, reverse repurchase agreements and commercial paper in compliance with Section 53601-53635 of the state government code. The City's cash is invested under a pooled money concept, with maturities planned to coincide with projected needs, with the primary objective of preserving principal. During Fiscal Year 2001, the average daily pooled portfolio balance was approximately \$1.3 billion with a weighted average maturity of 478 days. Most of these monies are held in funds that have restricted uses. The largest balances, for instance, are found in the Utility Funds. The average earned

income yield on pooled investments was 6.102% as compared to 5.427% in the prior year.

The City Treasurer's investment policy has an objective to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City may transact business only with banks, savings and loans, and investment securities dealers who are primarily dealers regularly reporting to the New York Federal Reserve Bank. Exceptions to this rule are allowed only upon written authorization of the City Treasurer. All nonnegotiable time certificates of deposit and demand accounts in excess of the amounts insured by the Federal Deposit Insurance Corporation are required to be fully collateralized with mortgages or eligible securities in accordance with state law. The City's investments are held by the City's custodian bank in the City's name or the nominee name of the custodian bank, as collateral for a reverse repurchase agreement with the counterpart's custodian bank or with a third party trustee, e.g., California State Treasurer's Office.

The Retirement Board contracts with 27 investment managers to oversee the CERS Trust Fund portfolio, which includes separate cash management as well as investments in corporate and government bonds, stocks, and real estate. This portfolio is therefore more diverse and of a more long term nature than the City's cash pool. During Fiscal Year 2001, CERS achieved a realized return of 6.26%.

Risk Management. The City is self-insured for workers' compensation and long-term disability. The City obtained insurance coverage for general liability claims in Fiscal Year 1991 after being self-insured for the previous six years. The City now has catastrophic coverage of \$54 million per occurrence with a \$1 million self-insured retention.

The workers' compensation and long-term disability programs are accounted for within the Internal Service Self Insurance Fund. They are funded by rate charges to the various departments. Annual rates are established that will collect the necessary monies to pay anticipated claims during the year. The City also accounts for the General Liability Reserve within the Internal Service Self Insurance Fund. Monies in this fund have accumulated from operating transfers of claims appropriations in excess of actual claims paid.

OTHER INFORMATION

Independent Audit. The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Calderon, Jaham & Osborn, CPAs, was selected and awarded a 5-year contract by the City beginning Fiscal Year 1998. In addition to meeting the requirements set forth in the City Charter, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circulars. The independent auditors' report on the general purpose financial statements and the combining, individual fund and account group financial statements and schedules is included in the financial section of this report. The independent auditors' reports related specifically to the Single Audit are included in a separate Single Audit Report.

In addition to the independent accountants, the City maintains its own Internal Audit Division. Along with its duty of assisting the independent accountants, they are responsible for strengthening and reviewing the City's internal controls. Internal Audit performs its own independent operational and financial audits of the City's many funds, departments, and divisions. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of all financial transactions.

GFOA Certificate of Achievement Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial

Reporting to the City of San Diego, California, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

CSFMO Award. The California Society of Municipal Finance Officers (CSFMO) again awarded a Certificate for Outstanding Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2000. In order to receive this "Outstanding Award," the City published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate for Outstanding Financial Reporting is valid for a period of one year only. I believe our current report continues to meet the Certificate for Outstanding Financial Reporting requirements, and we are submitting it to the CSFMO.

Acknowledgments. The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional, efficient, and dedicated service of the staff of the City Auditor and Comptroller's Department. In particular, I would like to express my appreciation to members of the Accounting Division that contributed to the development of this report. I would also like to thank the Mayor, members of the City Council, and the City Manager for their support and commitment to fiscal integrity and financial leadership.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Ryan", with a stylized, cursive script.

Ed Ryan
City Auditor and Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Diego,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



James D. Druwe
President

Jeffrey L. Esser
Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1999-2000

Presented to the

City of San Diego



*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 26, 2001


Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

DIRECTORY OF ELECTED AND OTHER OFFICIALS

Mayor	Dick Murphy
Councilmember - District 1	Scott Peters
Councilmember - District 2	Byron Wear
Councilmember - District 3	Toni Atkins
Councilmember - District 4	George Stevens
Councilmember - District 5	Brian Maienschein
Councilmember - District 6	Donna Frye
Councilmember - District 7	Jim Madaffer
Councilmember - District 8	Ralph Inzunza
City Attorney	Casey Gwinn

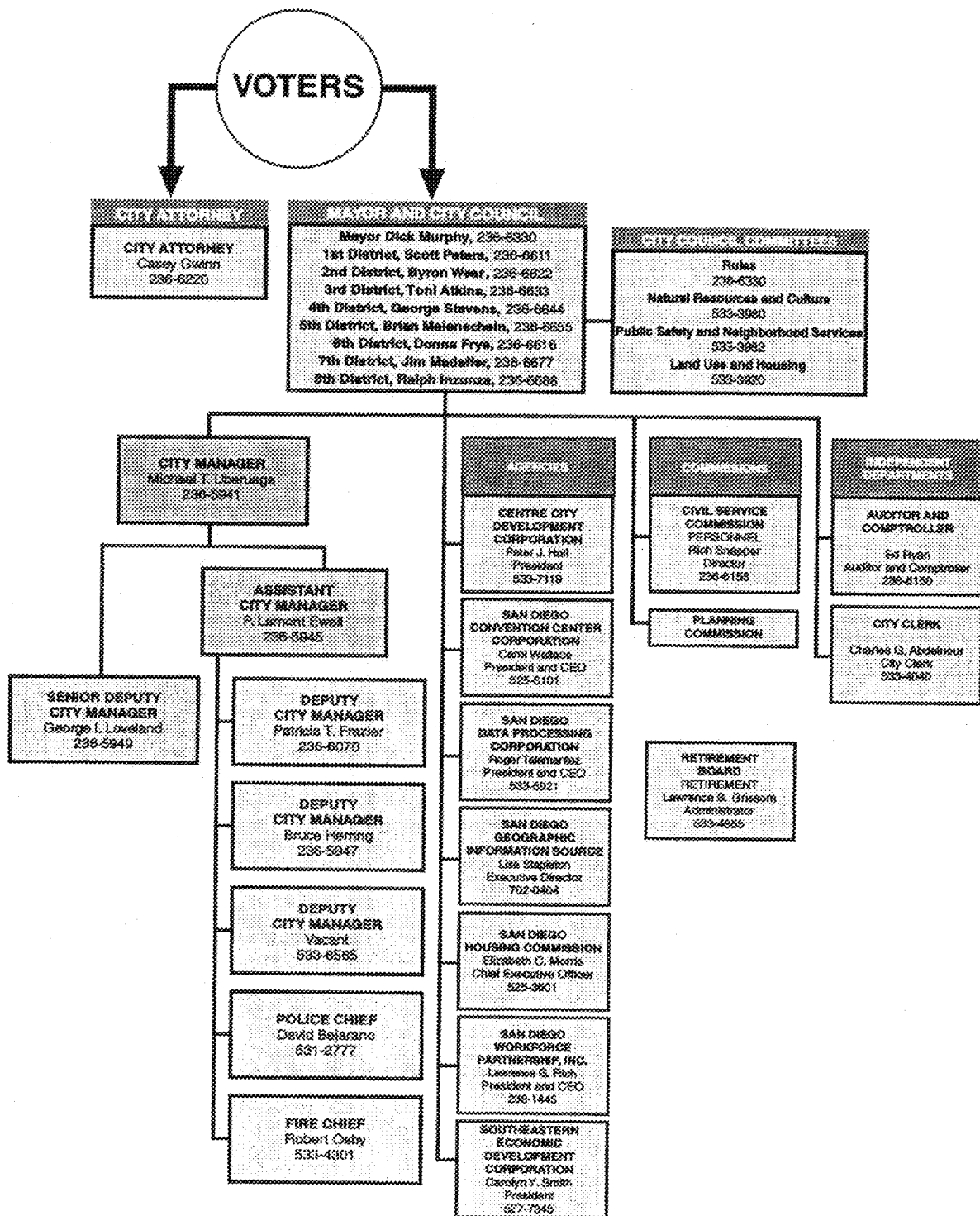
APPOINTED OFFICIALS

City Manager	Michael T. Uberuaga
City Auditor and Comptroller	Ed Ryan
City Clerk	Charles G. Abdelnour
Personnel Director	Rich Snapper
Retirement Administrator	Lawrence B. Grissom

ASSISTANT AND DEPUTY CITY MANAGERS

Assistant City Manager	P. Lamont Ewell
Senior Deputy City Manager	George I. Loveland
Deputy City Manager	Bruce Herring
Deputy City Manager	Patricia T. Frazier
Deputy City Manager	Vacant

CITY OF SAN DIEGO ORGANIZATION CHART



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, Members of the
City Council and City Manager of the
City of San Diego, California

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the City of San Diego, California, as of and for the year ended June 30, 2001, as listed in the foregoing table of contents. These general-purpose financial statements are the responsibility of the City of San Diego, California management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of San Diego, California, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of San Diego, California, as of June 30, 2001, and the results of operations of such funds and cash flows of its individual proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 21, 2001, on our consideration of the City of San Diego's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of San Diego, California, taken as a whole and on the combining and individual fund and account group financial statements. The information listed as supporting schedules and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the City of San Diego, California. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

November 21, 2001

Caldwell, Graham + Osborn

GENERAL PURPOSE FINANCIAL STATEMENTS

THESE STATEMENTS PROVIDE A SUMMARY OVERVIEW OF THE FINANCIAL POSITION OF ALL FUNDS AND ACCOUNT GROUPS AND OF THE OPERATING RESULTS BY FUND TYPES. THEY ALSO SERVE AS AN INTRODUCTION TO THE MORE DETAILED STATEMENTS AND SCHEDULES THAT FOLLOW.

GENERAL PURPOSE FINANCIAL STATEMENTS

IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD, THE FOLLOWING COMBINED STATEMENTS ARE PRESENTED:

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units.

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Unit.

Combined Statement of Revenue, Expenditures and Changes in Undesignated Fund Balances - Budget and Actual (Budgetary Basis) - Budgeted Governmental Fund Types.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds and Discretely Presented Component Units.

Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Fund and Discretely Presented Component Units.

Combined Statement of Changes in Plan Net Assets.

Notes to Financial Statements.

Required Supplementary Information:

- Pension Trust Funds Analysis of Funding Progress - Last Six Fiscal Years.

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2001
 (In Thousands)

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
Cash or Equity in Pooled Cash and Investments	\$ 48,777	\$ 262,029	\$ 4,498	\$ 352,349	\$ 691,979	\$ 71,703
Cash or Equity in Pooled Cash and Investments - Nonexpendable Trust	---	---	---	---	---	---
Cash With Custodian/Fiscal Agent	---	305	19,951	3	64	---
Cash With Custodian/Fiscal Agent - Nonexpendable Trust	---	---	---	---	---	---
Investments at Fair Value	---	94	150,398	54,522	---	---
Receivables:						
Taxes - Net	32,431	7,199	---	---	---	---
Accounts - Net	38,016	7,717	---	7	78,099	1,813
Claims - Net	16	42	---	---	---	11
Special Assessments - Net	---	458	492	---	15	---
Notes	---	18,290	---	12,577	---	---
Contributions	---	---	---	---	---	2,703
Accrued Interest	3,011	2,395	98	4,884	9,478	165
Grants	---	14,774	---	24,690	11,620	---
Loans	---	---	---	---	---	---
Loans to Redevelopment Agency	---	576	---	---	---	---
From Other Funds	87,135	3,157	200	39,867	19,223	---
From Primary Government	---	---	---	---	---	---
From Other Agencies	1,635	327	1,529,195	48	---	---
Securities Sold	---	---	---	---	---	---
Advances to Other Funds	10,628	10,861	---	609	37,060	330
Advances to Other Agencies	350	3,726	---	---	---	---
Inventories of Water in Storage	---	---	---	---	12,799	---
Inventories	---	---	---	---	1,117	3,475
Land Held for Resale	---	7,507	---	59,092	---	---
Prepaid and Reimbursable Items and Deposits	152	248	1,397	---	136,470	459
Restricted Assets:						
Cash or Equity in Pooled Cash and Investments -						
Interest and Redemption Funds	---	---	---	---	20,818	---
Cash with Custodian/Fiscal Agent	---	---	---	---	47	---
Deferred Charges	---	---	---	---	29,934	---
Fixed Assets - Net	---	---	---	---	3,457,465	67,292
Amount Available for Payment of						
General Long-Term Debt	---	---	---	---	---	---
Amount to be Provided for Retirement of						
General Long-Term Debt	---	---	---	---	---	---
TOTAL ASSETS AND OTHER DEBITS	\$ 222,151	\$ 339,705	\$ 1,706,229	\$ 548,648	\$ 4,506,188	\$ 147,951

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Fiduciary Fund Types		Account Groups		Totals	Component Unit	Component Unit	Component Unit	Totals
				Primary Government				Reporting Entity
Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memo-randum Only)	San Diego Convention Center Corporation	San Diego Housing Commission	San Diego Medical Services Enterprise, LLC	(Memo-randum Only)	
\$ 338,339	\$ ---	\$ ---	\$ 1,769,674	\$ 2,840	\$ 7,357	\$ 1,044	\$ 1,780,915	
139	---	---	139	---	---	---	139	
3	---	---	20,326	---	---	---	20,326	
389	---	---	389	---	---	---	389	
3,020,352	---	---	3,225,366	---	28,418	---	3,253,784	
---	---	---	39,630	---	---	---	39,630	
6,454	---	---	132,106	3,630	855	3,484	140,075	
---	---	---	69	---	---	---	69	
---	---	---	965	---	---	---	965	
---	---	---	30,867	---	63,761	---	94,628	
10,641	---	---	13,344	---	---	---	13,344	
12,529	---	---	32,560	---	5,449	---	38,009	
---	---	---	51,084	---	---	---	51,084	
24,061	---	---	24,061	---	---	---	24,061	
---	---	---	576	---	---	---	576	
---	---	---	149,582	---	---	---	149,582	
---	---	---	---	1,026	540	---	1,566	
---	---	---	1,531,205	39	3,107	---	1,534,351	
20,708	---	---	20,708	---	---	---	20,708	
---	---	---	59,488	---	---	---	59,488	
---	---	---	4,076	---	---	---	4,076	
---	---	---	12,799	---	---	---	12,799	
---	---	---	4,592	---	97	---	4,689	
---	---	---	66,599	---	---	---	66,599	
40	---	---	138,766	898	5	3	139,672	
---	---	---	20,818	5,003	754	---	26,575	
---	---	---	47	---	---	---	47	
---	---	---	29,934	---	---	---	29,934	
265	1,618,858	---	5,143,880	24,655	93,528	---	5,262,063	
---	---	216,370	216,370	---	---	---	216,370	
---	---	2,312,695	2,312,695	10,315	---	---	2,323,010	
\$ 3,433,920	\$ 1,618,858	\$ 2,529,065	\$ 15,052,715	\$ 48,406	\$ 203,871	\$ 4,531	\$ 15,309,523	

Continued on next page

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2001
(In Thousands)

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
LIABILITIES						
Accounts Payable	\$ 2,057	\$ 5,669	\$ 27	\$ 4,339	\$ 50,140	\$ 3,922
Accrued Wages and Benefits	27,445	1,377	---	---	23,997	8,971
Other Accrued Liabilities	---	74	---	---	3,186	---
Employees' 401(k) Plans	---	---	---	---	---	---
Liability Claims	---	---	---	---	7,045	37,366
Matured Bonds, Notes and Interest Payable	---	---	2	---	47	---
Interest Accrued on Long-Term Debt	---	---	---	---	15,310	279
Long-Term Debt Due Within One Year	---	---	---	---	29,929	4,742
Due to Other Funds	---	43,389	---	27,691	441	---
Due to Component Unit	---	1,566	---	---	---	---
Due to Other Agencies	---	202	---	149	2,404	---
Deferred Revenue	37,942	52,934	1,529,564	16,017	43,086	3
Advances from Other Funds	---	609	635	---	---	57,914
Deposits/Advances from Others	---	---	---	---	4,567	---
Sundry Trust Liabilities	---	2,266	---	3,523	---	---
Estimated Landfill Closure and Postclosure Care	---	---	---	---	9,920	---
Capital Lease Obligations	---	---	---	---	6,939	17,100
Net Pension Liabilities	---	---	---	---	4,433	876
Securities Purchased	---	---	---	---	---	---
Contracts and Notes Payable	77,000	---	---	---	1,497,856	---
Loans Payable	---	---	---	---	---	---
Bonds Payable	---	---	---	---	---	---
TOTAL LIABILITIES	144,444	108,086	1,530,228	51,719	1,699,300	131,173
FUND EQUITY AND OTHER CREDITS						
Investment in General Fixed Assets	---	---	---	---	---	---
Contributed Capital	---	---	---	---	1,630,032	226
Retained Earnings (Deficit):						
Reserved for Claims and Contingencies	---	---	---	---	---	1,096
Reserved for General Long-Term Claims	---	---	---	---	---	(29,281)
Unreserved	---	---	---	---	1,176,856	44,737
Fund Balances:						
Reserved for Land Held for Resale	---	7,507	---	59,092	---	---
Reserved for Encumbrances	11,150	34,181	---	117,274	---	---
Reserved for Advances and Deposits	10,978	11,328	---	---	---	---
Reserved for Nonexpendable Trust	---	---	---	---	---	---
Reserved for Pension Benefits	---	---	---	---	---	---
Reserved for Debt Service	---	41,563	174,807	---	---	---
Unreserved:						
Designated for Unrealized Gains	2,287	1,409	1,194	2,268	---	---
Designated for Subsequent Years' Expenditures	2,132	42,643	---	193,078	---	---
Undesignated	51,160	92,988	---	125,217	---	---
TOTAL FUND EQUITY AND OTHER CREDITS	77,707	231,619	176,001	496,929	2,806,888	16,778
TOTAL LIABILITIES AND FUND EQUITY AND OTHER CREDITS	\$ 222,151	\$ 339,705	\$ 1,706,229	\$ 548,648	\$ 4,506,188	\$ 147,951

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Fiduciary Fund Types		Account Groups		Totals	Component	Component	Component	Totals
				Primary Government	Unit	Unit	Unit	Reporting Entity
Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memo-randum Only)	San Diego Convention Center Corporation	San Diego Housing Commission	San Diego Medical Services Enterprise, LLC	(Memo-randum Only)	
\$ 4,382	\$ ---	\$ ---	\$ 70,536	\$ 1,107	\$ 1,996	\$ 1,187	\$ 74,826	
342	---	52,122	114,254	1,185	1,818	---	117,257	
---	---	---	3,260	2,772	1,449	---	7,481	
105,269	---	---	105,269	---	---	---	105,269	
---	---	44,963	89,374	---	---	---	89,374	
---	---	---	49	9,500	---	---	9,549	
---	---	---	15,589	---	---	---	15,589	
---	---	---	34,671	---	---	---	34,671	
78,061	---	---	149,582	---	---	---	149,582	
---	---	---	1,566	---	---	---	1,566	
---	---	---	2,755	---	1,188	1,561	5,504	
267	---	---	1,679,813	2,005	6,154	---	1,687,972	
330	---	---	59,488	---	---	---	59,488	
10,456	---	---	15,023	3,600	867	---	19,490	
13,695	---	---	19,484	---	---	---	19,484	
---	---	---	9,920	---	---	---	9,920	
---	---	13,233	37,272	---	---	---	37,272	
75	---	25,599	30,983	---	---	---	30,983	
204,146	---	---	204,146	---	---	---	204,146	
---	---	41,900	1,616,756	---	8,411	---	1,625,167	
---	---	3,250	3,250	---	---	---	3,250	
---	---	2,347,998	2,347,998	---	---	---	2,347,998	
417,023	---	2,529,065	6,611,038	20,169	21,883	2,748	6,655,838	
---	1,618,858	---	1,618,858	24,655	81,568	---	1,725,081	
---	---	---	1,630,258	---	---	20	1,630,278	
---	---	---	1,096	---	---	---	1,096	
---	---	---	(29,281)	---	---	---	(29,281)	
---	---	---	1,221,593	---	100,420	1,763	1,323,776	
---	---	---	66,599	---	---	---	66,599	
4,292	---	---	166,897	---	---	---	166,897	
---	---	---	22,306	---	---	---	22,306	
12,339	---	---	12,339	---	---	---	12,339	
2,996,760	---	---	2,996,760	---	---	---	2,996,760	
---	---	---	216,370	---	---	---	216,370	
30	---	---	7,188	---	---	---	7,188	
700	---	---	238,553	3,582	---	---	242,135	
2,776	---	---	272,141	---	---	---	272,141	
3,016,897	1,618,858	---	8,441,677	28,237	181,988	1,783	8,653,685	
\$ 3,433,920	\$ 1,618,858	\$ 2,529,065	\$ 15,052,715	\$ 48,406	\$ 203,871	\$ 4,531	\$ 15,309,523	

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT
Year Ended June 30, 2001
(In Thousands)

	General
REVENUES	
Property Taxes	\$ 158,585
Special Assessments	---
Sales Taxes	142,069
Other Local Taxes	109,151
Licenses and Permits	22,154
Fines, Forfeitures and Penalties	29,776
Revenue from Use of Money and Property	40,841
Revenue from Federal Agencies	787
Revenue from Other Agencies	87,262
Revenue from Private Sources	---
Charges for Current Services	84,156
Other Revenue	2,606
TOTAL REVENUES	677,387
EXPENDITURES	
Current:	
General Government	79,800
Community and Economic Development	19,778
Public Safety	369,607
Libraries	26,494
Parks, Recreation and Culture	56,748
Public Works	80,999
Housing and Community Development	---
Public Transportation	---
Employee Relations and Special Projects	548
Miscellaneous and Unallocated	1,367
Cost of Issuance, Bonds and Notes	---
Capital Projects	---
Debt Service:	
Principal Retirement	---
Interest	4,616
TOTAL EXPENDITURES	639,957
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,430
OTHER FINANCING SOURCES (USES)	
Transfers from Proprietary/Fiduciary Funds	4,074
Transfers from Other Funds	29,236
Transfers from Component Unit	86
Transfers from Primary Government	---
Transfers to Proprietary Funds	(14,274)
Transfers to Other Funds	(32,601)
Transfers to Component Unit	(650)
Proceeds from Loans Payable	---
Proceeds from Special Assessment Bonds	---
Proceeds from Tax Allocation Bonds	---
TOTAL OTHER FINANCING SOURCES (USES)	(14,129)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	23,301
Fund Balances at Beginning of Year	54,406
Residual Equity Transfers from (to) Other Funds	---
FUND BALANCES AT END OF YEAR	\$ 77,707

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

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Governmental Fund Types			Fiduciary Fund Type	Totals Primary Government	Component Unit San Diego Convention Center Corporation	Totals Reporting Entity
Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memo- randum Only)		(Memo- randum Only)
\$ 20,033	\$ 16,934	\$ 6,249	\$ ---	\$ 201,801	\$ ---	\$ 201,801
9,026	9,749	---	---	18,775	---	18,775
38,008	---	41,647	---	221,724	---	221,724
84,026	---	---	---	193,177	---	193,177
4,470	---	8,179	---	34,803	---	34,803
3,125	---	1	---	32,902	---	32,902
32,580	11,685	23,239	722	109,067	7,348	116,415
35,938	---	3,411	---	40,136	---	40,136
30,721	94,538	10,347	---	222,868	2,508	225,376
20,667	632	56,284	212	77,795	---	77,795
17,625	---	---	---	101,781	13,860	115,641
3,118	---	5,820	---	11,544	1,182	12,726
299,337	133,538	155,177	934	1,266,373	24,898	1,291,271
7,740	132	8,320	---	95,992	---	95,992
8,052	---	---	---	27,830	---	27,830
36,948	---	25	10	406,590	---	406,590
4,870	---	---	183	31,547	---	31,547
58,175	---	1,272	117	116,312	25,502	141,814
71,279	---	279	1	152,558	---	152,558
13,580	---	61	---	13,641	---	13,641
8	---	---	---	8	---	8
7,878	---	---	9	8,435	---	8,435
4	---	---	---	1,371	---	1,371
---	2,155	1,899	---	4,054	---	4,054
18,334	---	449,435	5,604	473,373	3,808	477,181
1,475	52,758	---	---	54,233	---	54,233
1,620	119,094	---	---	125,330	---	125,330
229,963	174,139	461,291	5,924	1,511,274	29,310	1,540,584
69,374	(40,601)	(306,114)	(4,990)	(244,901)	(4,412)	(249,313)
145	---	1,400	---	5,619	---	5,619
101,575	42,819	62,578	---	236,208	---	236,208
1,050	---	---	---	1,136	---	1,136
---	---	---	---	---	6,638	6,638
(743)	---	(613)	---	(15,630)	---	(15,630)
(170,659)	(2,274)	(30,674)	---	(236,208)	---	(236,208)
(11,733)	---	---	---	(12,383)	---	(12,383)
---	---	222	---	222	---	222
---	4,575	56,264	---	60,839	---	60,839
42,996	13,394	---	---	56,390	---	56,390
(37,369)	58,514	89,177	---	96,193	6,638	102,831
32,005	17,913	(216,937)	(4,990)	(148,708)	2,226	(146,482)
199,239	158,088	713,866	10,099	1,135,698	1,356	1,137,054
375	---	---	---	375	---	375
\$ 231,619	\$ 176,001	\$ 496,929	\$ 5,109	\$ 987,365	\$ 3,582	\$ 990,947

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED GOVERNMENTAL FUND TYPES
Year Ended June 30, 2001
(In Thousands)

	General Fund	
	Actual on	
	Budgetary	
	Basis	Budget
REVENUES		
Property Taxes	\$ 158,585	\$ 159,874
Special Assessments	---	---
Sales Taxes	142,069	139,696
Other Local Taxes	109,151	99,709
Licenses and Permits	22,154	19,512
Fines, Forfeitures and Penalties	29,776	27,143
Revenue from Use of Money and Property	38,554	32,038
Revenue from Federal Agencies	787	875
Revenue from Other Agencies	87,262	75,151
Revenue from Private Sources	---	---
Charges for Current Services	84,156	80,580
Other Revenue	2,606	3,390
Excess Revenue Appropriated	---	4,508
TOTAL REVENUES	675,100	642,476
EXPENDITURES		
Current:		
General Government	82,528	85,534
Community and Economic Development	20,643	21,244
Public Safety	373,175	380,181
Libraries	27,094	27,557
Parks, Recreation and Culture	59,153	62,419
Public Works	84,118	87,543
Housing and Community Development	---	---
Public Transportation	---	---
Employee Relations and Special Projects	548	636
Miscellaneous and Unallocated	1,418	1,550
Capital Projects	---	---
Debt Service:		
Principal Retirement	---	---
Interest	4,616	4,616
TOTAL EXPENDITURES	653,293	671,280
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,807	(28,804)
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary/Fiduciary Funds	5,552	11,897
Transfers from Other Funds	29,236	35,465
Transfers from Component Unit	86	86
Transfers to Proprietary Funds	(14,274)	(14,274)
Transfers to Other Funds	(32,601)	(32,601)
Transfers to Component Unit	(650)	(650)
TOTAL OTHER FINANCING SOURCES (USES)	(12,651)	(77)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER		
FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	9,156	(28,881)
Fund Balances Undesignated at July 1, 2000	29,536	29,536
Reserved for Encumbrances at July 1, 2000	11,628	11,628
Reserved for Debt Service at July 1, 2000	---	---
Reserved for Debt Service at June 30, 2001	---	---
Designated for Subsequent Years' Expenditures at July 1, 2000	2,972	2,972
Designated for Subsequent Years' Expenditures at June 30, 2001	(2,132)	---
FUND BALANCES UNDESIGNATED AT June 30, 2001	\$ 51,160	\$ 15,255

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Budgeted Special Revenue Funds		Budgeted Debt Service Funds		Budgeted Capital Projects Funds		Totals (Memorandum Only)		
Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 4,714	\$ 4,415	\$ 2,358	\$ 2,361	\$ ---	\$ ---	\$ 165,657	\$ 166,650	\$ (993)
8,919	9,027	---	---	---	---	8,919	9,027	(108)
35,968	40,180	---	---	5,558	1,108	183,595	180,984	2,611
84,026	80,407	---	---	---	---	193,177	180,116	13,061
1,140	1,534	---	---	---	---	23,294	21,046	2,248
3,017	2,409	---	---	---	---	32,793	29,552	3,241
16,932	15,095	168	101	497	21	56,151	47,255	8,896
---	---	---	---	3,195	11,453	3,982	12,328	(8,346)
14,551	14,956	---	---	9,974	16,589	111,787	106,696	5,091
122	42	---	---	3	3	125	45	80
17,066	16,298	---	---	---	---	101,222	96,878	4,344
825	2,878	---	---	4,183	3,187	7,614	9,455	(1,841)
---	---	---	---	---	---	---	4,508	(4,508)
187,280	187,241	2,526	2,462	23,410	32,361	888,316	864,540	23,776
1,287	1,510	---	---	256	2,445	84,071	89,489	5,418
---	---	---	---	---	---	20,643	21,244	601
19,110	21,101	---	---	---	---	392,285	401,282	8,997
---	---	---	---	---	---	27,094	27,557	463
62,359	74,725	---	---	218	2,202	121,730	139,346	17,616
61,064	68,410	---	---	---	---	145,182	155,953	10,771
6,631	7,515	---	---	---	---	6,631	7,515	884
11	130	---	---	---	---	11	130	119
---	---	---	---	---	---	548	636	88
---	---	---	---	---	---	1,418	1,550	132
5,710	13,377	---	---	15,438	29,752	21,148	43,129	21,981
---	---	2,095	2,095	---	---	2,095	2,095	---
---	---	1,498	1,498	---	---	6,114	6,114	---
156,172	186,768	3,593	3,593	15,912	34,399	828,970	896,040	67,070
31,108	473	(1,067)	(1,131)	7,498	(2,038)	59,346	(31,500)	90,846
145	131	---	---	---	---	5,697	12,028	(6,331)
65,761	71,563	1,069	1,069	8,540	8,540	104,606	116,637	(12,031)
1,050	1,000	---	---	---	---	1,136	1,086	50
(743)	(743)	---	---	---	---	(15,017)	(15,017)	---
(107,917)	(110,889)	---	---	(13,452)	(13,452)	(153,970)	(156,942)	2,972
(5,043)	(5,170)	---	---	---	---	(5,693)	(5,820)	127
(46,747)	(44,108)	1,069	1,069	(4,912)	(4,912)	(63,241)	(48,028)	(15,213)
(15,639)	(43,635)	2	(62)	2,586	(6,950)	(3,895)	(79,528)	75,633
44,344	44,260	---	---	3,694	3,694	77,574	77,490	84
13,148	13,148	---	---	2,796	2,796	27,572	27,572	---
---	---	2,993	2,993	---	---	2,993	2,993	---
---	---	(2,995)	(2,995)	---	---	(2,995)	(2,995)	---
11,351	11,351	---	---	1,787	1,787	16,110	16,110	---
(8,324)	---	---	---	(3,724)	---	(14,180)	---	(14,180)
\$ 44,880	\$ 25,124	\$ ---	\$ (64)	\$ 7,139	\$ 1,327	\$ 103,179	\$ 41,642	\$ 61,537

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2001
(In Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
OPERATING REVENUES		
Earnings on Investments	\$ ---	\$ ---
Sale of Water	195,706	---
Charges for Services	315,378	52,001
Contributions	4	42,639
Revenue from Use of Property	3,442	---
Usage Fees	53,518	30,326
Other	19,675	2,365
TOTAL OPERATING REVENUES	587,723	127,331
OPERATING EXPENSES		
Benefit and Claim Payments	---	47,306
Maintenance and Operations	286,346	45,444
Cost of Materials Issued	319	22,911
Cost of Water Purchased	103,321	---
Taxes	7,803	---
Administration	123,758	15,917
Depreciation and Amortization	59,080	11,103
TOTAL OPERATING EXPENSES	580,627	142,681
OPERATING INCOME (LOSS)	7,096	(15,350)
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	54,388	980
Federal Grant Assistance	398	---
Other Agency Grant Assistance	831	---
Debt Service Interest Payments	(72,534)	(561)
Cost of Issuance of Long - Term Debt	(1,204)	---
Gain (Loss) on Sale/Retirement of Fixed Assets	(2,260)	(547)
Distribution to Partner	---	---
Other	13,687	4,951
TOTAL NONOPERATING REVENUES (EXPENSES)	(6,694)	4,823
INCOME (LOSS) BEFORE OPERATING TRANSFERS	402	(10,527)
Operating Transfers In	284	4,212
Transfers from Governmental Funds	613	15,017
Transfers from Primary Government	---	---
Operating Transfers Out	(2,349)	(2,147)
Transfers to Governmental Funds	(2,755)	(2,116)
Transfers to Primary Government	---	---
NET INCOME (LOSS)	(3,805)	4,439
Retained Earnings/Fund Balances at Beginning of Year as Restated	1,181,036	12,113
Residual Equity Transfers to Other Funds	(375)	---
RETAINED EARNINGS/FUND BALANCES AT END OF YEAR	\$ 1,176,856	\$ 16,552

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund	Totals Primary Government	Component Unit	Component Unit	Totals
Nonexpendable Trust	(Memo- randum Only)	San Diego Housing Commission	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$ 1,563	\$ 1,563	\$ ---	\$ ---	\$ 1,563
---	195,706	---	---	195,706
63	367,442	6,711	31,123	405,276
---	42,643	---	---	42,643
---	3,442	---	---	3,442
---	83,844	---	---	83,844
---	22,040	4,328	392	26,760
1,626	716,680	11,039	31,515	759,234
---	47,306	---	---	47,306
44	331,834	67,877	30,624	430,335
---	23,230	---	---	23,230
---	103,321	---	---	103,321
---	7,803	---	---	7,803
4	139,679	15,868	---	155,547
---	70,183	2,219	---	72,402
48	723,356	85,964	30,624	839,944
1,578	(6,676)	(74,925)	891	(80,710)
---	55,368	3,012	106	58,486
---	398	73,602	---	74,000
---	831	---	---	831
---	(73,095)	(615)	---	(73,710)
---	(1,204)	---	---	(1,204)
---	(2,807)	---	---	(2,807)
---	---	---	(1,050)	(1,050)
---	18,638	206	---	18,844
---	(1,871)	76,205	(944)	73,390
1,578	(8,547)	1,280	(53)	(7,320)
---	4,496	---	---	4,496
---	15,630	---	---	15,630
---	---	5,095	650	5,745
---	(4,496)	---	---	(4,496)
(748)	(5,619)	---	---	(5,619)
---	---	---	(1,136)	(1,136)
830	1,464	6,375	(539)	7,300
11,509	1,204,658	94,045	2,302	1,301,005
---	(375)	---	---	(375)
\$ 12,339	\$ 1,205,747	\$ 100,420	\$ 1,763	\$ 1,307,930

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2001
(In Thousands)

Proprietary Fund Types

Enterprise Internal Service

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Income (Loss)	\$ 7,096	\$ (15,350)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Earnings on Investments Included in Operating Income	---	---
Depreciation and Amortization	59,080	11,103
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables:		
Accounts and Special Assessments - Net	16,137	(253)
Claims - Net	---	24
Notes - Net	---	---
Contributions	---	(2,703)
From Other Funds	(11,175)	---
From Other Agencies	---	---
From Primary Government	---	---
(Increase) Decrease in Inventories	(2,864)	(189)
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	91,628	(358)
Increase (Decrease) in Accounts Payable	(5,635)	(431)
Increase (Decrease) in Accrued Wages and Benefits	2,261	1,414
Increase (Decrease) in Other Accrued Liabilities	285	---
Increase (Decrease) in Liability Claims	1,862	1,093
Increase (Decrease) in Due to Other Funds	(1,449)	---
Increase (Decrease) in Due to Other Agencies	3	---
Increase (Decrease) in Deferred Revenue	19,862	(543)
Increase (Decrease) in Net Pension Liabilities	1,207	244
Increase (Decrease) in Estimated Landfill Closure and Postclosure Care	814	---
Distribution to Partner	---	---
Other Nonoperating Revenue (Expenses)	13,687	4,951
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	192,799	(998)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Residual Equity Transfers to Other Funds	(375)	---
Operating Transfers In	284	4,212
Transfers from Governmental Funds	613	15,017
Transfers from Primary Government	---	---
Operating Transfers Out	(2,349)	(2,147)
Transfers to Governmental Funds	(2,755)	(2,116)
Transfers to Primary Government	---	---
Operating Grants Received	4,609	---
Proceeds from Advances and Deposits	487	5,741
Payments for Advances and Deposits	(3,162)	(16)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(2,648)	20,691

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type	Totals Primary Government	Component Unit	Component Unit	Totals
Nonexpendable Trust	(Memo- randum Only)	San Diego Housing Commission	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$ 1,578	\$ (6,676)	\$ (74,925)	\$ 891	\$ (80,710)
(1,563)	(1,563)	---	---	(1,563)
---	70,183	2,219	---	72,402
1	15,885	60	(1,009)	14,936
---	24	---	---	24
---	---	(4,827)	---	(4,827)
---	(2,703)	---	---	(2,703)
---	(11,175)	---	---	(11,175)
---	---	(1,051)	---	(1,051)
---	---	1,588	---	1,588
---	(3,053)	(9)	---	(3,062)
---	91,270	161	6	91,437
---	(6,066)	108	(63)	(6,021)
---	3,675	30	---	3,705
---	285	323	---	608
---	2,955	---	---	2,955
---	(1,449)	---	---	(1,449)
---	3	(167)	24	(140)
---	19,319	1,131	---	20,450
---	1,451	---	---	1,451
---	814	---	---	814
---	---	---	(1,050)	(1,050)
---	18,638	206	---	18,844
16	191,817	(75,153)	(1,201)	115,463
---	(375)	---	---	(375)
---	4,496	---	---	4,496
---	15,630	---	---	15,630
---	---	5,095	650	5,745
---	(4,496)	---	---	(4,496)
(748)	(5,619)	---	---	(5,619)
---	---	---	(1,136)	(1,136)
---	4,609	73,602	---	78,211
---	6,228	---	---	6,228
---	(3,178)	---	---	(3,178)
(748)	17,295	78,697	(486)	95,506

Continued on next page

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2001
(In Thousands)

Proprietary Fund Types

	Enterprise	Internal Service
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	\$ 185,417	\$ 7,264
Proceeds from Contributed Capital	38,059	---
Acquisition of Fixed Assets	(265,403)	(20,315)
Proceeds from the Sale of Fixed Assets	346	1,171
Principal Payment on Capital Lease	(1,469)	(5,366)
Principal Paid on Long-Term Debt	(25,132)	---
Interest Paid on Long-Term Debt	(72,653)	(550)
NET CASH PROVIDED BY (USED FOR)		
CAPITAL AND RELATED FINANCING ACTIVITIES	(140,835)	(17,796)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)Sale of Investments	---	---
Interest and Dividends Received on Investments	53,073	951
NET CASH PROVIDED BY (USED FOR)		
INVESTING ACTIVITIES	53,073	951
Net Increase (Decrease) in Cash and Cash Equivalents	102,389	2,848
Cash and Cash Equivalents at Beginning of Year	610,519	68,855
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 712,908	\$ 71,703

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type		Totals Primary Government	Component Unit	Component Unit	Totals
Nonexpendable Trust		(Memo- randum Only)	San Diego Housing Commission	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$	---	\$ 192,681	\$ ---	\$ ---	\$ 192,681
	---	38,059	---	---	38,059
	---	(285,718)	(1,219)	---	(286,937)
	---	1,517	---	---	1,517
	---	(6,835)	(110)	---	(6,945)
	---	(25,132)	---	---	(25,132)
	---	(73,203)	(615)	---	(73,818)
	---	(158,631)	(1,944)	---	(160,575)
	(319)	(319)	2,373	---	2,054
	1,061	55,085	3,012	106	58,203
	742	54,766	5,385	106	60,257
	10	105,247	6,985	(1,581)	110,651
	518	679,892	1,126	2,625	683,643
\$	528	\$ 785,139	\$ 8,111	\$ 1,044	\$ 794,294

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
Year Ended June 30, 2001
(In Thousands)

	Pension Trust
ADDITIONS	
Contributions	\$ 175,958
Earnings on Investments	(59,271)
Other Income	371
TOTAL OPERATING ADDITIONS	117,058
DEDUCTIONS	
Benefit and Claim Payments	191,585
Administration	6,252
Depreciation	28
TOTAL OPERATING DEDUCTIONS	197,865
NET INCREASE	(80,807)
NET ASSETS AT BEGINNING OF YEAR	3,080,256
NET ASSETS AT END OF YEAR	\$ 2,999,449



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2001

1. SUMMARY OF SIGNIFICANT POLICIES

The City of San Diego (the "City") adopted its charter on April 7, 1931 and operates as a municipality in accordance with State laws. The City is governed by an elected nine member City Council, including the Mayor. Residents of the City are provided with a wide range of services including parks, recreation, police, fire, water and sewer services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The following is a summary of the more significant of such policies:

a. Scope of Financial Reporting Entity

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Component units should be included in the reporting entity financial statements using the blending method if either of the following criteria are met:

- i. The component unit's governing body is substantively the same as the governing body of the primary government (the City).
- ii. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Included within the reporting entity as blended component units:

- Centre City Development Corporation
- City of San Diego Metropolitan Transit Development Board Authority (a joint-powers agency)
- Convention Center Expansion Financing Authority
- Public Facilities Financing Authority
- Redevelopment Agency of the City of San Diego
- San Diego Data Processing Corporation
- San Diego Facilities and Equipment Leasing Corporation
- San Diego Industrial Development Authority
- San Diego Open Space Park Facilities District #1
- Southeastern Economic Development Corporation

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

A brief description of each blended component unit follows:

- Centre City Development Corporation, Inc. is a not-for-profit public benefit corporation organized in 1975 by the City to administer certain redevelopment projects in downtown San Diego and to provide redevelopment advisory services to the Redevelopment Agency of the City of San Diego. Centre City Development Corporation's budget and Governing Board are approved by the City Council and services are provided exclusively to the City.
- City of San Diego Metropolitan Transit Development Board Authority was established in 1988 by a joint exercise of powers agreement between the City and the San Diego Metropolitan Development Board. The City of San Diego Metropolitan Transit Development Board Authority was created to acquire, construct, maintain, repair, manage, operate and control facilities, to provide public capital improvements including public mass transit guideways, public transit systems and related transportation facilities primarily benefiting the City. The City appoints two Councilmembers to the Governing Board and the San Diego Metropolitan Development Board appoints one. The Authority provides services almost entirely to the City.
- The Convention Center Expansion Financing Authority (the "Authority") is a joint powers authority formed under and pursuant to Section 6500 et seq. of the California Government Code and a Joint Exercise of Powers Agreement dated as of May 1, 1996, between the City and the San Diego Unified Port District (the "District"). The Authority was established to assist the City and the District with respect to the financing, acquisition and construction of an expansion to the existing convention center. The Governing Board is administered by the Mayor, the City Manager, the District Director and a member of the Board of District Commissioners.
- The Public Facilities Financing Authority was established in 1991 by a joint exercise of powers agreement between the City and the Redevelopment Agency of the City of San Diego to acquire, construct, maintain, repair, manage, operate and control facilities for public capital improvements. The Public Facilities Financing Authority provides services exclusively to the City.
- The Redevelopment Agency of the City of San Diego was established by the City in 1958 in order to provide a method for revitalizing deteriorating and blighted areas of the City and began functioning in 1969 under the authority granted by the community redevelopment law. The City Council is the Governing Board and the Redevelopment Agency of the City of San Diego provides services exclusively to the City.
- San Diego Data Processing Corporation was formed in 1979 as a not-for-profit public benefit corporation for the purpose of providing data processing services to public agencies, primarily the City, which is the sole member. The San Diego Data Processing Corporation's budget and Governing Board are approved by the City Council. San Diego Data Processing Corporation provides services almost exclusively to the City.
- The San Diego Facilities and Equipment Leasing Corporation is a not-for-profit public benefit corporation established in 1987 by the City for the purpose of acquiring and leasing to the City real and personal property to be used in the municipal operations of the City. The City Council is the Governing Board and the benefit is exclusively to the City.
- The San Diego Industrial Development Authority was established in 1983 by the City for the purpose of providing an alternate method of financing to participating parties for economic development purposes. The City Council is the Governing Board and benefit is exclusively to the City.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

- The San Diego Open Space Park Facilities District #1 was established in 1978 by the City for the purpose of acquiring open space properties to implement the Open Space Element of the City's General Plan. The boundaries are contiguous with the City's. The City Council is the Governing Board and the benefit is exclusively to the City.
- Southeastern Economic Development Corporation, Inc. is a not-for-profit public benefit corporation organized in 1980 by the City to administer certain redevelopment projects in southeast San Diego and to provide redevelopment advisory services to the Redevelopment Agency of the City of San Diego. Southeastern Economic Development Corporation's budget and Governing Board are approved by the City Council and services are provided exclusively to the City.

Discretely presented component units, also legally separate entities, have financial data reported in a separate column from the financial data of the primary government to demonstrate they are financially and legally separate from the primary government. Component units should be discretely presented in the reporting entity financial statements when neither of the above two criteria are met.

Included within the reporting entity as discretely presented component units:

- San Diego Convention Center Corporation ("SDCCC")

SDCCC is a not-for-profit public benefit corporation originally organized to market, operate and maintain the San Diego Convention Center. On July 1, 1993, SDCCC assumed similar responsibility for the San Diego Concourse as well. The City is a sole member of SDCCC and acts through the San Diego City Council in accordance with the City Charter and the City's Municipal Code. The City appoints seven voting members out of the nine-member Board of Directors of SDCCC. The City is liable for any operating deficits and would be secondarily liable for any debt issuances of SDCCC (currently, there is no debt outstanding). SDCCC is discretely presented because it provides services direct to the citizenry.

- San Diego Housing Commission ("SDHC")

SDHC, a government agency was formed by the City of San Diego, under ordinance No. 2515 on December 5, 1978 in accordance with the Housing Authority Law of the State of California. SDHC primarily serves low income families by providing rental assistance payments, rental housing, loans and grants to individuals and not-for-profit organizations and other services. SDHC is discretely presented because it provides services directly to the citizenry.

- San Diego Medical Services Enterprise, LLC ("SDMSE")

The SDMSE was organized on May 2, 1997 to provide emergency medical services and medical transportation services to the citizens of San Diego. Operations began July 1, 1997. The SDMSE partners are the City of San Diego and Rural Metro of San Diego, Inc., a wholly owned subsidiary of Rural Metro Corporation (a private corporation). The SDMSE governing board is comprised of five members, three of whom are appointed by the City. The City is financially obligated for any deficits and debt of SDMSE up to a maximum of \$6,500,000 over five years. The SDMSE is discretely presented because it provides services direct to the citizenry.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Complete financial statements for each of the individual component units may be obtained from the City Auditor and Comptroller's office.

Each blended and discretely presented component unit has a June 30 year end.

b. Basis of Presentation

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUND TYPES

Governmental Fund Types are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in Proprietary Fund Types) are accounted for through Governmental Fund Types. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The following are the City's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those for expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund Types and certain trust funds).

PROPRIETARY FUND TYPES

Proprietary Fund Types are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector and are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City adopts all applicable Financial Accounting Standards Board ("FASB") Statements and Interpretations issued on or before November 30, 1989, in accounting and reporting for its proprietary operations unless those pronouncements conflict with or contradict Governmental Accounting Standards Board ("GASB") pronouncements. The measurement focus is upon determination of net income, financial position and changes in cash flows. The following are the City's Proprietary Fund Types:

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary Fund Types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds:

Trust and Agency Funds - Trust and Agency Funds include Expendable, Nonexpendable, Pension Trust and Agency Funds. Nonexpendable and Pension Trust Funds are accounted for and reported in the same manner as Proprietary Fund Types since capital maintenance is critical. Expendable Trust and Agency Funds are accounted for and reported similar to Governmental Fund Types.

ACCOUNT GROUPS

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The following are the City's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the Proprietary Fund Types.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the City, except for that accounted for in the Proprietary Fund Types.

c. Basis of Accounting

Governmental Fund Types, Expendable Trust and Agency Funds:

The modified accrual basis of accounting is followed in the Governmental Fund Types, Expendable Trust and Agency Funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Revenues which are considered susceptible to accrual include real and personal property taxes, other local taxes, refuse collection franchise fees, fines, forfeitures and penalties, motor vehicle license fees, interest and state and federal grants and subventures. In applying the susceptible to accrual concept to state and federal revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

Licenses and permits, charges for services, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Expenditures are recognized when the related fund liability is incurred except for (1) principal and interest of general long-term debt which are recognized when due; and (2) employee annual leave and claims and judgments from litigation and self-insurance which are recorded in the period due and payable since such amounts will not currently be liquidated with expendable available financial resources. The total future liability is reflected in the General Long-Term Debt Account Group.

SDCCC, a discretely presented component unit, is accounted for under the modified accrual basis of accounting.

Proprietary Fund Types, Pension Trust and Nonexpendable Trust Funds:

The accrual basis of accounting is used in all Proprietary Fund Types, Pension Trust and Nonexpendable Trust Funds. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred. Estimated unbilled revenues from the Water and Sewer Utility (Enterprise) Funds are recognized at the end of each Fiscal Year. This estimated amount is based on billings during the month following the close of the Fiscal Year.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

SDHC, a discretely presented component unit, is accounted for under the accrual basis of accounting.

SDMSE, a discretely presented component unit, is accounted for under the accrual basis of accounting.

d. Property Taxes

The County of San Diego (the "County") bills and collects property taxes on behalf of numerous special districts and incorporated cities, including the City. The City's collection of current year's taxes are received through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on March 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Since the passage of California's Proposition 13, beginning with Fiscal Year 1978-79 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can rise at a maximum of 2% per year.

This Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Property tax revenue is recognized in the Fiscal Year for which the taxes have been levied, provided the taxes are received within 60 days of the end of the Fiscal Year. Property taxes received after this date are not considered available as a resource that can be used to finance the current year operations of the City and, therefore, are not recorded as revenue until collected.

The City provides an allowance for uncollected property taxes of 3% of the outstanding balance which is reflective of historical collections.

e. Budgetary Data

On or before the first meeting in May of each year, the City Manager submits to the City Council a proposed operating and capital improvements budget for the Fiscal Year commencing July 1. Such budget includes annual budgets for the following funds:

General Fund

Special Revenue Funds:

City of San Diego:

Acquisition, Improvement and Operation

Environmental Growth Funds:

Two-Thirds Requirement

One-Third Requirement

Police Decentralization

Public Transportation

Qualcomm Stadium Operations

Special Gas Tax Street Improvement

Street Division Operations

Transient Occupancy Tax

Zoological Exhibits

Other Special Revenue

Centre City Development Corporation

Southeastern Economic Development Corporation

Debt Service Funds:

City of San Diego:

Pre-Arrest Detention Facility

Public Safety Communications Project

Capital Projects Funds:

City of San Diego:

Capital Outlay

Public hearings are then conducted to obtain citizen comments on the proposed budget. During the month of July the budget is legally adopted through passage of an appropriation ordinance by the City Council.

Budgets are prepared on the modified accrual basis of accounting except that (1) encumbrances outstanding at year-end are considered as expenditures and (2) the increase/decrease in reserve for advances and deposits to other funds and agencies are considered as additions/deductions of expenditures.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

The City budget is prepared net of obligations under reverse repurchase agreement interest expense. For budgetary purposes, obligations under reverse repurchase agreement interest expense is considered a reduction of interest earnings.

Budgetary control for the City's General Fund is exercised at the salaries and wages and non-personnel expenditures level. Budgetary control for the other budgeted funds, including those of certain component units, is maintained at the total fund appropriation level. All amendments to the adopted budget require City Council approval except as delegated in the Annual Appropriation Ordinance.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause these reported budget amounts to be significantly different than the originally adopted budget amounts. Appropriations lapse at year-end to the extent that they have not been expended or encumbered. The supplemental budgetary appropriations made in all funds were not material.

The following is a reconciliation of the excess (deficiency) of revenues over expenditures prepared on the GAAP basis to that prepared on the budgetary basis (in thousands):

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis	\$23,301	\$ 32,005	\$17,913	(\$216,937)
Add (Deduct) - (Excess) Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis for Non-Budgeted Funds	0	(31,045)	(17,892)	220,587
Budgeted Funds:				
Deduct:				
Encumbrances Outstanding, June 30, 2001	(11,150)	(17,521)	0	(1,052)
Reserved for Advances and Deposits, June 30, 2001	(10,978)	(11,315)	0	0
Designated for Unrealized Gains, June 30, 2001	(2,287)	(409)	(19)	(12)
Add - Reserved for Advances and Deposits, June 30, 2000	<u>10,270</u>	<u>12,646</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	<u>\$ 9,156</u>	<u>(\$15,639)</u>	<u>\$ 2</u>	<u>\$ 2,586</u>

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)**f. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted Governmental Fund Types.

Encumbrances outstanding at year-end are reported as reservations of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

g. Investments

At July 1, 1997, the City and its blended and discretely presented component units adopted GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which requires certain investments to be reported at fair value. At June 30, 2001, all such investments are presented at fair value.

h. Inventories

Inventories, which consist of both water in storage and operating supplies, are valued at the lower of cost or market. Such inventories are expensed when consumed.

i. Restricted Assets

Proceeds from debt issuances, funds set aside for payment of Enterprise Fund revenue bonds and SDHC deposits servicing low interest construction and rehabilitation loans made by various banks are classified as restricted assets since their use is limited by applicable bond indentures.

The City is required by state and federal laws and regulations to make annual contributions to finance the closure and postclosure care of its Miramar landfill. Such contributions are presented in the Enterprise Fund financial statements as restricted cash or equity in pooled cash and investments.

j. Land Held for Resale

All property purchases by the Redevelopment Agency are charged to Capital Outlay Expenditures. Land held for resale is capitalized in the Special Revenue and Capital Projects Funds on the lower of acquisition cost or estimated resale value. Fund balances and reserved amounts are equal to the carrying value of land held for resale because such assets are not available to finance the Agency's current operations.

k. Fixed Assets

General Fixed Assets:

General fixed assets are those acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Fund Types and capitalized at cost in the General Fixed Assets Account Group. Donated fixed assets are recorded in general fixed assets at estimated fair market value at the date of donation. Certain assets for which actual costs are not practically determined have been valued on the basis of a professional valuation which determined their estimated historical cost.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Fixed assets comprising the infrastructure of the City, including roads, bridges, pools, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such infrastructure assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship and cumulative accountability for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

Proprietary Fund Type Fixed Assets:

Fixed assets owned by the Proprietary Fund Types are stated at cost if purchased or constructed, or at estimated fair market value if received as a donation. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Structures and improvements	30-40 years
Plants, dams, canals, laterals and equipment	3-150 years

l. Interagency Current Receivables, Payables and Long-Term Debt

For reporting purposes, the City considers interagency long-term loans to be operating transfers. Accordingly, "loans receivable" are classified as "transfers out" while "loans payable" are classified as "transfers in". Interest on loans are recorded only when due. Loan amounts, including interest, are noted in the footnotes to this report. When loans are repaid, such transactions are also recorded as "transfers out" (typically from the Debt Service Fund) and "transfers in," and the loan balance is reduced in the footnotes. Interagency current receivables and payables are classified as accounts "receivable from" and "due to" other funds.

m. Long-Term Liabilities

Long-term liabilities expected to be financed in future years from Governmental Fund Types are accounted for in the General Long-Term Debt Account Group. Long-term liabilities of all Proprietary Fund Types are accounted for in their respective funds.

n. Employee Annual Leave

The City provides combined annual leave to cover both vacation and sick leave. It is the City's policy to permit employees to accumulate between 6.25 weeks and 17.5 weeks, depending on hire date, of earned but unused annual leave. Accumulation of these earnings will be paid to employees upon separation from service.

In addition, sick leave earned through August 1981 by employees hired prior to July 1, 1975 is payable upon separation under the following conditions: (1) 50% of the employee's accrued amount upon retirement or death, or (2) 25% of the employee's accrued amount upon resignation.

In Governmental Fund Types and Expendable Trust Funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. In Proprietary Fund Types, annual leave benefits are recorded as a liability in the period earned.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

o. Claims and Judgments

In Governmental Fund Types, the costs of claims and judgments are recorded as expenditures when payments are made. The liability for anticipated future claims is recorded in the General Long-Term Debt Account Group in recognition of the City's obligation to fund such costs from future operations. In Proprietary Fund Types, the costs of claims and judgments are recorded when the liability is incurred and measurable.

p. Fund Equity

Portions of fund equity have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Designated fund balance indicates that portion of fund equity for which the City has made tentative plans.

Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods.

q. Statement of Cash Flows

All of the related City's restricted and unrestricted "Cash or Equity in Pooled Cash and Investments" and "Cash with Custodian/Fiscal Agent" are classified as cash and cash equivalents, since they are readily convertible to known amounts of cash or are so close to their maturity that they present an insignificant risk of changes in value because of fluctuations in interest rates.

A summary of noncash investing, capital and financing activities for the year ended June 30, 2001 is as follows (in thousands):

	Enterprise	Internal Service
Non-Cash Fixed Assets Additions		
Donated Assets	\$ 151	\$ 0
Capital Lease	2,310	6,691
Developer Contributed Assets	<u>30,619</u>	<u>0</u>
Total	<u>\$33,080</u>	<u>\$6,691</u>

SDHC's investments had a difference between the carrying amount of \$21,379,143 and fair value of \$21,426,980 equal to \$47,837. SDHC did not adjust its books as the difference was deemed immaterial.

r. Memorandum Only - Total Columns on Combined Statements

Amounts in the "Total - Memorandum Only" columns in the combined financial statements are presented to aggregate financial data. The total includes fund types and account groups that use different bases of accounting and the captions "Amount Available for Payment of General Long-Term Debt" and "Amount to be Provided for Retirement of Long-Term Debt" which are not assets in the usual sense.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Data in these columns do not present financial position or results of operations in conformity with GAAP, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

s. Comparative Data

Comparative total data for the prior year have been presented in the accompanying combining financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in the combined statements because their inclusion would make certain statements unduly complex and difficult to understand.

t. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Management believes that the estimates are reasonable.

u. Reclassification

Certain prior year amounts have been reclassified to conform with current year presentation.

2. CASH AND INVESTMENTS

As provided for by the Government Code, the cash balance of substantially all funds are pooled and invested by the City Treasurer for the purpose of increasing interest earnings through investment activities. The respective funds' shares of the total pooled cash and investments are included in the accompanying combined balance sheet under the caption "Cash or Equity in Pooled Cash and Investments." Interest earned on pooled investments is deposited to certain participating funds based upon each fund's average daily deposit balance during the allocation period with all remaining interest deposited to the General Fund.

"Cash With Custodian/Fiscal Agent" represents funds held by bank trustees on behalf of the City and its component units. For several component units, the purpose of these accounts is to invest cash related to certain outstanding long-term debts and to distribute principal and interest payments to debtholders. For other component units and the City, the purpose of these accounts is solely to distribute principal and interest payments to debtholders.

"Investments at Fair Value" represent investments of the City and San Diego City Employees Retirement System (SDCERS). Reporting of investments at fair value is in accordance with GASB's 25, 27, and 31 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," "Accounting for Pensions by State and Local Governmental Employers," and "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," respectively.

SDCERS has, via a securities lending authorization agreement, authorized a fiscal agent to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During the Fiscal Year, the fiscal agent lent Domestic and International Fixed Income and Equity Portfolios and received cash (United States and foreign currency), securities issued or guaranteed by the United States

2. CASH AND INVESTMENTS (Continued)

government, sovereign debt rated A or better, Canadian provincial debt, convertible bonds, and irrevocable letters of credit as collateral. The fiscal agent did not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 101.5% of the market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 104.5% of the market value of the loaned securities.

SDCERS did not impose any restrictions during the Fiscal Year on the amount of the loans that the fiscal agent made on its behalf and the fiscal agent indemnified SDCERS by agreeing to purchase replacement securities or return cash collateral in the event borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrowers to return loaned securities or pay distributions thereon during the Fiscal Year. Moreover, there were no losses during the Fiscal Year resulting from a default of the borrowers or the fiscal agent.

During the Fiscal Year, SDCERS and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of June 30, 2001, such investment pool had an average duration of 75 days and an average weighted maturity of 548 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2001, SDCERS had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan for SDCERS as of June 30, 2001 were \$180,088,057 and \$174,806,297, respectively.

Aggregate cash and investments are as follows at June 30, 2001 (in thousands):

	<u>Total</u>
Cash or equity in pooled cash and investments	\$1,769,813
Cash with custodian/fiscal agent, including restricted cash with custodian	20,762
Investments at fair value	3,225,366
Restricted pooled cash and investments	<u>20,818</u>
Total	<u>\$5,036,759</u>

Deposits

At June 30, 2001, the carrying amount of the City's cash or equity in pooled cash deposits (cash, non-negotiable certificates of deposit and money market funds) was approximately \$243,029,824 and the net balance per various financial institutions was approximately \$254,563,634 the difference of which is substantially due to deposits in transit and outstanding checks. Of the balance in financial institutions, approximately \$455,472 was covered by federal depository insurance and approximately \$248,431,295 was uninsured. Such uninsured deposits are with financial institutions which are individually legally required to have government deposits collateralized with government securities held by the pledging financial institution's trust departments in the government's name. The market value of such pledged securities must equal at least 110% of the government's deposits.

At June 30, 2001, "Cash with Custodian/Fiscal Agent" (approximately \$20,762,000) was held by the trust departments of various banks and was not covered by federal depository insurance or collateralized by securities owned by the bank.

2. CASH AND INVESTMENTS (Continued)

Deposits - SDCCC

On June 30, 2001, the carrying amount of SDCCC's cash deposits was \$5,315,828 and the bank balance was \$6,669,483. Of the bank balance, \$100,000 was covered by federal depository insurance. The remainder was covered by collateral held by financial institutions which are individually required by state law to have governmental deposits collateralized at a rate of 110% of the deposit. The collateral is considered to be held in the name of SDCCC.

At the end of each business day, all balances over a target balance are automatically transferred and invested in a taxable money market mutual fund which invests in a portfolio of high-quality, short-term securities consistent with SDCCC's investment policy. These invested funds are not insured or guaranteed by the FDIC or the U.S. Government, are not obligations of the bank, and are not guaranteed by the bank.

Deposits - SDHC

On June 30, 2001, the carrying amount of the SDHC of cash deposits was \$7,327,780 and the bank balances was \$8,130,299. Of the bank balances, \$500,000 is insured. When the balances exceed \$500,000, the funds are collateralized according to state statutes, which require depositories having public funds on deposit to maintain a pool of securities with the agent of depository having a market value of at least 100% of all public funds on deposit.

Deposits - SDMSE

On June 30, 2001, the carrying amount of SDMSE's cash lock box deposits was approximately \$1,044,010 and the bank balance was \$994,813. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining balance was uninsured.

Investments

In accordance with the charter of the City of San Diego and under authority granted by the City Council, the City Treasurer is responsible for investing the unexpended cash in the City treasury. This investment policy applies to all of the investment activities of the City, except for the Pension Trust Funds (for which policies are noted below), the proceeds of certain debt issues which are managed and invested by trustees appointed under indenture agreements and the assets of trust funds which are placed in the custody of the Funds Commission by Council ordinance. All financial assets of all other funds are administered in accordance with the provisions noted here.

The City may transact business only with banks, savings and loans, and investment securities dealers who are primary dealers regularly reporting to the New York Federal Reserve Bank. Exceptions to this rule can be made only upon written authorization of the City Treasurer. Authorized cash deposits and investments are governed by state law, as well as by the City's own written investment policy. Within the context of these limitations, permissible investments include (1) obligations of the U.S. government and federal agencies, (2) commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, (3) bankers' acceptances, (4) negotiable and/or non-negotiable certificates of deposit and non-negotiable time deposits issued by a nationally or state chartered bank or a state or federal savings and loan association, (5) repurchase and reverse repurchase agreements, (6) the local agency investment fund established by the state treasurer, (7) financial futures contracts in any of the other authorized investments which are used to offset an existing financial position and not for outright speculation, (8) mortgage securities purchased under an agreement to resell, (9) medium-term corporate notes of a maximum of five years maturity issued by corporations operating within the United States and (10) shares of beneficial interest issued by diversified management companies, as defined in Section 23701m of the Revenue and Taxation Code.

2. CASH AND INVESTMENTS (Continued)

All non-negotiable time certificates of deposit are to be fully collateralized with mortgages or eligible securities in accordance with state law.

The City invests in the State of California Local Agency Investment Fund ("LAIF"), a State of California external investment pool. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2001 by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants total aggregate fair value by total aggregate amortized cost.

Accordingly, as of June 30, 2001, the City's investments in LAIF at fair value amounts to \$12,614,834 using a LAIF value factor of 1.002237525.

The LAIF has oversight by the local Investment Advisory Board. The LAIF Board consists of five members as designated by statute. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4.

The City, through its Investment Policy, has identified the safety of principal as the foremost objective of the City. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit Risk shall be mitigated by investing in only very safe securities and by diversifying the investment portfolio so that failure of any one issuer would not unduly harm the City's cash flow.

Market Risk shall be mitigated by limiting the average maturity of the City's portfolio to three years and the maximum maturity of any one security in the portfolio to five years, and by structuring the portfolio with an adequate mix of highly liquid securities and maturities to meet major cash outflow requirements. Trading is prohibited when cash or securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

The following investments below are additionally restricted as to percentage of the cost value of the portfolio in any one issuer name up to a maximum of 5%. The total cost value invested in any one issuer name will not exceed 5% of an issuer's net worth. An additional 5%, or a total of 10%, of the cost value of the portfolio in any one issuer name can be authorized upon written approval of the City Treasurer.

- Bankers Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Local Agency Investment Fund

Ineligible Investments not described in the City's Investment Policy, including, but not limited to, common stocks and long-term corporate notes/bonds are prohibited from use in the portfolio. A copy of the City's Investment Policy may be obtained from the City Treasurer's office.

2. CASH AND INVESTMENTS (Continued)

Investments for the Pension Trust Fund are authorized to be made by the Board of Administration of the City Employees' Retirement System in accordance with the charter of the City. The Board is authorized to invest in any bonds or securities which are allowed by general law for savings banks. The Board has further restricted the authorized investments to those believed by independent investment counsel to be appropriate for investment by trust funds operating under the "prudent man" rule as set forth in state law.

These investments include, but are not limited to, bonds, notes or other obligations, real estate investments, common stocks, preferred stocks and pooled vehicles. Investments can also be made in financial futures contracts in any of the other authorized investments which are used to offset an existing financial position and not for outright speculation.

Investment policies permit the Pension Trust Fund to invest in financial futures contracts. Financial futures contracts, which are recorded at market value, are not hedges of existing assets, and changes in the market value of the contract result in recognition of a gain or loss.

A copy of the Pension Trust Fund's investment policy may be obtained from the Retirement office.

Reverse Repurchase Agreements

Investment policies permit the City to enter into reverse repurchase agreements which is a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received providing the dealers a margin against a decline in the market value of the securities. If the dealers default on their obligations to resell these securities to the City or provide securities of cash or equal value, the City could suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the reverse repurchase agreement obligation, including accrued interest payable. In fiscal year 2001, however, the City did not enter into any reverse repurchase agreements. As such, there was no such credit exposure at year-end.

The City's investments at June 30, 2001, that can be specifically identified as to credit risk are categorized as described below including required disclosures for securities lending (in thousands):

Category 1: Insured or registered, with securities held by the City or its agent in the City's name.

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.

Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

2. CASH AND INVESTMENTS (Continued)

Investments that are not subject to credit risk categorization, but that require fair value disclosure are also presented below (in thousands):

	Category			Fair Value
	1	2	3	
U.S. government and agency securities	\$1,308,469	\$102,002	\$0	\$1,410,471
Commercial paper	137,688	0	0	137,688
Equity securities (stocks):				
- Not on securities loan	1,401,784	0	0	1,401,784
- On securities loan for securities collateral	181	0	0	181
Corporate bonds/notes	127,619	0	0	127,619
Fixed income (bonds)	797,034	0	0	797,034
Repurchase Agreements	64,550	0	0	64,550
Negotiable CD's	10,014	0	0	10,014
	<u>\$3,847,339</u>	<u>\$102,002</u>	<u>\$0</u>	<u>\$3,949,341</u>
Investments not subject to categorization:				
Fixed income (bonds) on securities loan for cash collateral				18,587
Equity securities (stocks) on securities loan for cash collateral				156,039
Investment with California Local Agency Investment Fund				12,587
Mutual funds				473,595
Real estate/mineral interest funds				156,010
Mortgage Notes				1,618
Other				5,190
Total investments				<u>\$4,772,967</u>

2. CASH AND INVESTMENTS (Continued)

Included in the preceding table are investments under the Pension Trust Fund - City Employees Retirement System (SDCERS) with required disclosures for securities lending (in thousands). Following below are those investments specifically attributable to SDCERS:

	Category			Fair Value
	1	2	3	
U.S. government and agency securities	\$ 797,034	\$ 0	\$ 0	\$ 797,034
Equity securities (stocks):				
- Not on securities loan	1,401,784	0	0	1,401,784
- On securities loan for securities collateral	<u>181</u>	<u>0</u>	<u>0</u>	<u>181</u>
	<u>\$2,198,999</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$2,198,999</u>
Investments not subject to categorization:				
Fixed income (bonds) on securities loan for cash collateral				18,587
Equity securities (stocks) on securities loan for cash collateral				156,038
Real estate/mineral interest funds				156,010
Mortgage Notes				<u>1,618</u>
Total investments				<u>\$2,531,252</u>

Summary of Investments - SDHC

Investments that are not subject to credit risk categorization, but that require fair value disclosure are also presented below (in thousands):

	Category			Fair Value
	1	2	3	
Commercial paper	<u>\$7,039</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,039</u>
	<u>\$7,039</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,039</u>
Investments not subject to categorization:				
Investment with California Local Agency Investment Fund				<u>21,379</u>
Total investments				<u>\$28,418</u>

Summary of Deposits and Investments

Following is a summary of the carrying amount of cash deposits and investments at June 30, 2001 (in thousands):

Cash and pooled cash deposits	\$ 243,030
Cash with custodian/fiscal agent	20,762
Investments	<u>4,772,967</u>
Total	<u>\$5,036,759</u>

3. FIXED ASSETSGeneral Fixed Assets

A summary of changes in general fixed assets for the year ended June 30, 2001 is as follows (in thousands):

	Balance July 1, 2000	Additions	Adjustments and Transfers	Deletions	Balance June 30, 2001
Land	\$ 450,304	\$ 36,716	\$ 0	(\$6,020)	\$ 481,000
Structures and Improvements	497,514	41,011	199	(9,281)	529,443
Equipment	<u>180,480</u>	<u>18,999</u>	<u>4,290</u>	<u>(7,449)</u>	<u>196,320</u>
Subtotal	1,128,298	96,726	4,489	(22,750)	1,206,763
Construction in Progress	<u>332,810</u>	<u>126,289</u>	<u>(4,291)</u>	<u>(42,713)</u>	<u>412,095</u>
Total	<u>\$1,461,108</u>	<u>\$223,015</u>	<u>\$ 198</u>	<u>(\$65,463)</u>	<u>\$1,618,858</u>

The following is a summary of general fixed assets for SDCCC at June 30, 2001 (in thousands):

	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
Furniture, Fixtures and Equipment	\$ 5,901	\$2,298	\$ 3	\$ 8,202
Leasehold Improvements	<u>15,173</u>	<u>1,509</u>	<u>(229)</u>	<u>16,453</u>
Total	<u>\$21,074</u>	<u>\$3,807</u>	<u>(\$226)</u>	<u>\$24,655</u>

Proprietary Fund Type Fixed Assets

A summary of Proprietary Fund Type Fixed Assets at June 30, 2001 is as follows (in thousands):

	Enterprise Funds	Internal Service Funds
Land and Buildings	\$50,600	\$ 1,383
Property, Plant and Equipment	1,402,438	118,850
Other	976,780	0
Construction in progress	<u>1,606,504</u>	<u>11,885</u>
Total	4,036,322	132,118
Less - Accumulated depreciation	<u>(578,857)</u>	<u>(64,826)</u>
Total, net	<u>\$3,457,465</u>	<u>\$ 67,292</u>

3. FIXED ASSETS (Continued)Trust and Agency Fund Type Fixed Assets

The following is a summary of fixed assets at June 30, 2001 (in thousands):

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Equipment	\$553	\$ 0	\$0	\$553
Accumulated depreciation	(260)	(28)	0	(288)
Total	<u>\$293</u>	<u>(\$28)</u>	<u>\$0</u>	<u>\$265</u>

San Diego Housing Commission

The following is a summary of fixed assets at June 30, 2001 (in thousands):

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Land	\$ 38,723	\$ 770	\$0	\$39,493
Structures and Improvements	76,394	0	0	76,394
Equipment	2,509	555	0	3,064
Construction in Progress	<u>6,263</u>	<u>(106)</u>	<u>0</u>	<u>6,157</u>
Subtotal	123,889	1,219	0	125,108
Accumulated depreciation	<u>(29,362)</u>	<u>(2,218)</u>	<u>0</u>	<u>(31,580)</u>
Total	<u>\$94,527</u>	<u>(\$999)</u>	<u>\$0</u>	<u>\$93,528</u>

Construction In Progress

A summary of construction in progress (CIP) at June 30, 2001 is as follows (in thousands):

General Fixed Asset Account Group	\$ 412,095
Enterprise Funds:	
Airports	762
Environmental Services	77,160
Golf Course	5,899
Sewer Utility	1,137,078
Water Utility	<u>385,605</u>
Total Enterprise Funds	1,606,504
Internal Service Funds:	
Central Garage and Machine Shop	<u>11,885</u>
Total Construction in Progress	<u>\$2,030,484</u>

3. FIXED ASSETS (Continued)

The Sewer Utility Fund and Water Utility Fund CIP of \$1,137,078,059 and \$385,605,000 respectively, represent 75% of total CIP for the year ended June 30, 2001.

The Sewer Utility's construction plans for various projects were estimated to cost approximately \$178,106,000. As of June 30, 2001, the Sewer Utility's contractual commitments for the projects totaled approximately \$75,809,000.

The Water Utility's construction plans for various projects were estimated to cost approximately \$129,593,000. As of June 30, 2001, the Water Utility's contractual commitments for the projects totaled approximately \$77,764,000.

4. GENERAL LONG-TERM DEBT

General long-term debt consists of general obligation bonds, revenue bonds, certificates of participation ("COP"), special assessment/Mello-Roos bonds with governmental commitment, tax allocation bonds, contracts payable, notes payable, loans payable, capital lease obligations, pension obligations, liability claims (also see Note 18 and Note 19 for more information on contingencies and third party debt) and accrued annual leave. A summary of these obligations as recorded in the General Long-Term Debt Account Group as of June 30, 2001 is as follows (in thousands):

4. GENERAL LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2001</u>
<u>General Obligation Bonds:</u>				
Open Space Park Refunding Bonds, Series 1994	5.0-6.0%	2009	\$ 64,260	\$45,520
Municipal Improvement Bonds, Series 1991	5.1-6.65	2012	25,500	<u>18,075</u>
Total General Obligation Bonds				<u>\$63,595</u>
<u>Revenue Bonds/COPs:</u>				
Public Facilities Financing Authority Sewer Revenue Bonds, Series A & B 1997	3.7-5.61	2027	250,000	233,455
Public Facilities Financing Authority Stadium Lease Revenue Bonds, Series 1996 A	6.2-7.45	2027	68,425	65,905
Public Facilities Financing Authority Sewer Revenue Bonds, Series 1995	3.9-6.0	2025	350,000	323,935
Public Facilities Financing Authority Sewer Revenue Bonds, Series 1993	2.8-5.25	2023	250,000	213,185
Metropolitan Transit Development Board Authority Lease Revenue Refunding Bonds, Series 1994	4.25-5.625	2009	66,570	40,505
Metropolitan Transit Development Board Authority Lease Revenue Bonds, Series 1993	4.5-5.375	2023	19,515	16,430
San Diego Facilities Equipment Leasing Corp. Certificates of Participation Refunding Series 1996B	4.0-5.7	2011	11,720	10,720
San Diego Facilities Equipment Leasing Corp. Certificates of Participation, Series 1996A	4.0-5.6	2010	33,430	26,975
San Diego Facilities Equipment Leasing Corp. Certificates of Participation, Series 1993	3.9-5.6	2023	27,985	21,040
Certificates of Participation, Series 1991	8.0	2002	8,500	1,900
Public Facilities Financing Authority Sewer Revenue Bonds, Series A & B 1999	3.50-5.125	2029	315,410	307,715
Public Facilities Financing Authority Refunding, 1999A & B	3.75-5.1	2017	38,145	33,785
San Diego Facilities & Equipment Leasing Corp. Certificates of Undivided Interests, Series 1998	4.0-5.375	2029	385,000	385,000
Convention Center Expansion Authority Lease Revenue Bonds, Series 1998A	3.8-4.875	2018	205,000	205,000
Centre City Parking Revenue Bonds, Series 1999A	4.5-6.4	2025	12,105	<u>12,105</u>
Total Revenue Bonds/COPs				<u>\$1,897,655</u>

4. GENERAL LONG-TERM DEBT (Continued)

Type of Obligation	Interest Rates	Maturity Date	Original Amount	Balance Outstanding June 30, 2001
<u>Special Assessment/Mello-Roos Bonds with Governmental Commitment:</u>				
1915 Act Via De La Valle Improvement Bonds, issued October 1986	6.0-6.8%	2003	\$ 2,115	\$ 210
1915 Act De La Fuente Business Park Phase I Improvement Bonds, issued April 1989	7.0-7.7	2014	4,897	3,160
1915 Act International Business Center Project Improvement Bonds, Issued September 1990	6.1-7.4	2015	4,172	2,810
1915 Act Otay Mesa Industrial Park Improvement Bonds, issued May 1992	5.5-7.95	2013	2,235	595
1915 Act De La Fuente Business Park Phase II Improvement Bonds, issued July 1992	4.0-7.1	2017	5,987	4,940
Special Tax Bonds, 1998 Series Miramar Ranch North, issued July 1998	3.75-5.375	2020	59,465	56,460
Reassessment District Bonds, Series 1999	4.86-7.857	2018	38,145	35,452
Special Tax Bonds, 2000 Series Santaluz issued November 2000	6.333	2031	60,370	<u>60,370</u>
Total Special Assessment/Mello-Roos Bonds With Governmental Commitment				<u>\$163,997</u>
<u>Tax Allocation Bonds:</u>				
Centre City Redevelopment Project Tax Allocation Refunding Bonds Series 1992, issued October 1992	3.0-6.0%	2009	\$ 36,935	\$22,080
Centre City Redevelopment Project Tax Allocation Bonds, Series 1993A & B, issued November 1993	4.875-6.5	2018	54,350	38,176
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995, issued June 1995	7.8-9.75	2013	1,400	1,090
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995A & B, issued June 1995	4.4-8.2	2020	5,155	4,720
Southcrest Redevelopment Project Tax Allocation Bonds, Series 1995, issued June 1995	4.75-6.5	2020	3,750	2,930
Horton Plaza Tax Allocation Refunding Bonds Series 1996 A & B	3.8-6.625	2017	22,800	19,920

4. GENERAL LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2001</u>
Centre City Redevelopment Tax Allocation Bonds, Series 1999 A, B, C, Issued March 1999	3.0-6.25	2024	50,650	50,265
City Heights Redevelopment Tax Allocation Bonds, Series 1999 A & B, Issued April 1999	4.5-6.4	2028	15,830	15,830
Southcrest Redevelopment Project Tax Allocation Bonds, Series 2001, Issued May 2001	Various	2025	1,860	1,845
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000A & B, Issued April 2000	Various	2024	27,490	27,490
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000, Issued May 2000	Various	2030	3,395	3,380
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000, Issued October 2000	Various	2031	20,000	20,000
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000, Issued November 2000	Various	2022	15,025	<u>15,025</u>
Total Tax Allocation Bonds				<u>222,751</u>
Total Bonds Payable				<u>2,347,998</u>
<u>Contracts Payable:</u>				
Contract Payable to City of National City, dated March 1987	7.5	2002	2,171	624
Contract Payable to County of San Diego, dated June 1987	11.0	2013	423	90
Contract Payable to SDSU Foundation, dated December 1991	5.6	2010	1,598	1,598
Contract Payable to MTDB, dated January 2000	4.1	2015	1,626	<u>1,626</u>
Total Contracts Payable				<u>3,938</u>
<u>Notes Payable:</u>				
Notes payable to San Diego Association of Governments, various dates	Various	Various	45,797	26,382

4. GENERAL LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2001</u>
Note payable to Horton, dated December 1991	0	2002	34	34
Note payable to Lorren Daro, dated March 1995	8.0	2005	257	123
Note payable to David Engel, dated December 1994	6.0	2004	4,800	4,800
Note payable to Wal-Mart, dated June 1998	4.9	2017	1,308	1,308
Note payable to City Heights, Not yet dated	6.0	2011	5,315	<u>5,315</u>
Total Notes Payable				<u>37,962</u>
<u>Loans Payable:</u>				
JMI Padres - Centre City	8.0	2009	3,272	<u>3,250</u>
Total Loans Payable				<u>3,250</u>
Capital Lease Obligations				13,233
Pension Obligations				25,599
Liability Claims				44,963
Accrued Annual Leave				<u>52,122</u>
Total General Long-Term Debt				<u>\$2,529,065</u>

The following is a summary of changes in general long-term debt for the year ended June 30, 2001 (in thousands):

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2001</u>
General Obligation Bonds	\$ 68,700	\$ 0	\$ 5,105	\$ 63,595
Revenue Bonds/COPs	1,933,440	0	35,785	1,897,655
Special Assessment/Mello-Roos Bonds				
With Governmental Commitment	108,180	60,370	4,553	163,997
Tax Allocation Bonds	171,101	56,415	4,765	222,751
Contracts Payable	1,697	2,241	0	3,938
Notes Payable	33,606	6,657	2,301	37,962
Loans Payable	5,972	0	2,722	3,250
Capital Lease Obligations	14,284	0	1,051	13,233
Pension Obligations	24,264	1,335	0	25,599
Liability Claims	32,983	11,980	0	44,963
Accrued Annual Leave	<u>48,275</u>	<u>3,847</u>	<u>0</u>	<u>52,122</u>
Total	<u>\$2,442,502</u>	<u>\$142,845</u>	<u>\$56,282</u>	<u>\$2,529,065</u>

4. GENERAL LONG-TERM DEBT (Continued)

Additions to general long-term debt for Contracts, Notes and Loans Payable may differ from Proceeds reported on the Statement of Revenues, Expenditures and Changes in Fund Balances due to funding received in prior Fiscal Years being converted to long-term debt through contingent contractual terms.

The following is a summary of changes in general long-term debt for SDCCC at June 30, 2001 (in thousands):

	Balance July 1, 2000	Additions	Retirements	Balance June 30, 2001
Accrued Annual Leave	\$ 669	\$ 146	\$ 0	\$ 815
Notes Payable	10,000	0	(500)	9,500
Total Long-Term Debt	<u>\$ 10,669</u>	<u>\$ 146</u>	<u>(\$500)</u>	<u>\$ 10,315</u>

General obligation bonds are secured by a pledge of the full faith and credit of the City or by a pledge of the City to levy ad valorem property taxes without limitation.

Revenue bonds are secured by a pledge of specific revenue generally derived from fees or service charges related to the operation of the project being financed.

COPs provide long-term financing through a lease agreement, installment sales agreement, or loan agreement that does not constitute indebtedness under the state constitutional debt limitation and is not subject to other statutory requirements applicable to bonds.

Special assessment and Mello-Roos bonds are issued by the City to provide funds to make certain public improvements in special assessment and Mello-Roos districts created by the City. These bonds are secured by property owner assessments with the City having ultimate commitment for the obligation.

The annual requirements to amortize such long-term debt outstanding as of June 30, 2001, including interest payments to maturity, are as follows (in thousands):

Year Ending June 30,	General Obligation Bonds	Revenue Bonds/ COPs	Special Assessment/ Mello-Roos Bonds	Tax Allocation Bonds	Contracts Payable	Notes Payable	Loans Payable	Capital Lease Obligations
2002	\$ 11,078	\$ 143,438	\$13,161	\$ 17,396	\$4,123	\$ 3,458	\$ 567	\$ 4,670
2003	9,428	141,999	13,679	17,670	230	3,596	305	3,901
2004	9,566	142,060	13,739	17,763	229	3,596	330	2,580
2005	9,699	142,136	14,012	17,847	229	8,228	356	1,853
2006	9,841	139,600	14,100	17,967	229	3,271	384	1,416
Thereafter	<u>34,260</u>	<u>2,686,013</u>	<u>232,851</u>	<u>303,768</u>	<u>1,495</u>	<u>29,829</u>	<u>4,598</u>	<u>306</u>
Subtotal	83,872	3,395,246	301,542	392,411	6,535	51,978	6,540	14,726
Less Interest	<u>(20,277)</u>	<u>(1,497,591)</u>	<u>(137,545)</u>	<u>(169,660)</u>	<u>(2,597)</u>	<u>(14,016)</u>	<u>(3,290)</u>	<u>(1,493)</u>
Total	<u>\$ 63,595</u>	<u>\$1,897,655</u>	<u>\$163,997</u>	<u>\$222,751</u>	<u>\$3,938</u>	<u>\$37,962</u>	<u>\$3,250</u>	<u>\$13,233</u>

Installment Purchase Agreement

The City and the Public Facilities Financing Authority ("PFFA") entered into an installment purchase agreement for the acquisition, construction, installation, and improvement of its wastewater system. PFFA obtained financing for the project through issuance of bonds secured by installment payments to be made by the City. The City has pledged revenues from its wastewater system to finance these installment payments in an amount equal to the principal and interest requirements for the associated bonds.

4. GENERAL LONG-TERM DEBT (Continued)

Defeasance of Debt

In July 1998, the Miramar Ranch North Community Facilities District #1 issued \$59,465,000 in Special Tax Refunding Bonds, Series 1998. The proceeds of the bonds were used to refund the remaining outstanding Community Facilities District #1 Special Tax Bonds, 1991 Series A and 1995 Series B. The Refunded Bonds are considered defeased and the corresponding liability has been removed from the General Long-Term Debt Account Group. The refunding transaction resulted in total economic gain or present value savings of approximately \$7,130,000 over the refunded indebtedness. In addition, the refunding resulted in a cash flow difference of approximately \$13,492,000.

At June 30, 2001, \$68,090,000 of defeased bonds including those defeased in prior years are still outstanding.

5. PROPRIETARY FUND TYPE LONG-TERM DEBT

Proprietary Fund Type long-term debt as of June 30, 2001 is comprised of the following (in thousands):

Type of Obligation	Interest Rates	Maturity Date	Original Amount	Balance Outstanding June 30, 2001
<u>Notes Payable:</u>				
Installment Purchase Agreement, 1993	2.8-5.25%	2023	\$250,000	\$ 213,185
Installment Purchase Agreement, 1995	3.9-5.0	2025	350,000	323,935
Installment Purchase Agreement, 1997	3.7-5.61	2027	250,000	233,455
Installment Purchase Agreement, 1998	4.0-5.375	2028	385,000	385,000
Installment Purchase Agreement, 1999	3.9-5.0	2029	315,410	307,715
Total Notes Payable				<u>\$1,463,290</u>
<u>Loans Payable:</u>				
Loan Payable to County of San Diego	0	N/A	100	100
Loan Payable to Water Resources Control Board	0	N/A	17,156	60,122
Total Loans Payable				<u>60,222</u>
Line-of-Credit with Sanwa Bank	Various			4,169
Capital Lease Obligations for Various Equipment, Various Dates	Various	Various	Various	28,885
Liability Claims				44,411
Accrued Annual Leave				16,381
Pension Liability				5,309
Total Proprietary Fund Type Debt				<u>\$1,622,667</u>

5. PROPRIETARY FUND TYPE LONG-TERM DEBT (Continued)

Annual requirements to amortize such long-term debt as of June 30, 2001, including interest payments to maturity, are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Notes Payable</u>	<u>Capital Lease Obligations</u>
2002	\$102,428	\$7,326
2003	102,418	7,482
2004	102,424	6,451
2005	102,430	5,217
2006	102,426	3,702
Thereafter	<u>2,130,165</u>	<u>2,659</u>
Total	2,642,291	32,837
Less-Amounts Representing Interest	<u>(1,179,001)</u>	<u>(3,952)</u>
Total	<u>\$1,463,290</u>	<u>\$28,885</u>

6. DISCRETELY PRESENTED COMPONENT UNIT LONG-TERM DEBT

Discretely presented component unit long-term debt as of June 30, 2001 is comprised as follows (in thousands):

San Diego Housing Commission

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 2001</u>
Note payable to Washington Mutual, dated June 1995	Various	2011	\$4,725	\$4,332
Note payable to Bank of America, dated February 1985	5.0-10.2%	2025	3,789	3,383
Note payable to Redevelopment Agency dated March 1992	0.0	2022	696	<u>696</u>
Total Notes Payable				<u>\$8,411</u>

Annual requirements to amortize such long-term debt as of June 30, 2001 to maturity, are as follows (in thousands):

<u>Year Ending June 30,</u>	
2002	\$ 127
2003	133
2004	140
2005	147
2006	154
Thereafter	<u>7,710</u>
Total	<u>\$8,411</u>

Interest is not included due to the rates being variable. These rates are based upon the Federal Home Loan Bank of San Francisco 11th District Cost of Funds Index plus 1.95%.

7. INTERAGENCY LONG-TERM DEBT

Long-term debt between the City and its component units has been eliminated in this report. During the year, the Redevelopment Agency of the City of San Diego has repaid \$6,047,005 of principal and \$10,842,889 of interest to the City and the City has advanced \$11,403,368 to the Agency. Interest of 10.5% totaling \$14,465,444 was accrued to the amounts owed for the year. At June 30, 2001, interagency loans (including interest) were as follows (in thousands):

	<u>Loans and Note Receivable</u>	<u>Loans and Note Payable</u>
City of San Diego	\$256,351	\$ 0
Redevelopment Agency of the City of San Diego	<u>0</u>	<u>256,351</u>
Total	<u>\$256,351</u>	<u>\$256,351</u>

8. LEASE COMMITMENTSOperating Leases

The following is a schedule of future minimum rental payments required under operating leases entered into by the City for property that has initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2001 (in thousands):

<u>Year Ending June 30,</u>	
2002	\$11,017
2003	7,535
2004	3,031
2005	2,832
2006	2,589
Thereafter	<u>17,050</u>
Total	<u>\$44,054</u>

Rent expense as related to operating leases was \$11,103,181 for the year ended June 30, 2001.

Capital Leases

The City has entered into various capital leases for equipment, vehicles and property. A schedule of future minimum lease payments under capital leases as of June 30, 2001 is provided in Notes 4 and 5. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the general fixed assets account group.

Lease Revenues

The City has operating leases for certain land, buildings and facilities with tenants and concessionaires who will provide the following minimum annual lease payments (in thousands):

8. LEASE COMMITMENTS (Continued)

<u>Year Ending June 30,</u>	
2002	\$ 21,874
2003	21,464
2004	20,668
2005	20,029
2006	19,717
Thereafter	<u>591,217</u>
Total	<u>\$694,969</u>

This amount does not include contingent rentals which may be received under certain leases of property on the basis of percentage returns. Contingent rentals amounted to \$37,276,359 in the year ended June 30, 2001.

9. DEFERRED COMPENSATION PLANCity of San Diego

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability or an unforeseeable emergency. All assets and income of the deferred compensation plan are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Fair value of the plan assets was \$116,760,663 at June 30, 2001.

10. PENSION PLANS

The City has a defined benefit plan and various defined contribution pension plans covering substantially all of its employees.

DEFINED BENEFIT PLAN**a. Plan Description**

All of the City and the San Diego Unified Port District (the "District") full-time employees participate in the San Diego City Employees' Retirement System ("SDCERS").

SDCERS is a public employee retirement system established in 1927 by the City and administered by a Board of Administration (the "Board") to provide retirement, disability, death and survivor benefits for its members.

In 1963, through an agreement between the City and the District, employees of the District became members of SDCERS.

The Plan is a defined benefit plan which covers all eligible employees of the City and the District. The Plan is a multiple-employer public employee retirement system that acts as a common investment and administrative agent for the City and the District. As a defined benefit plan, retirement benefits are determined primarily by a member's age at retirement, the length of membership service and the member's final compensation earnable based on the highest one-year period.

10. PENSION PLANS (Continued)

The Plan provisions applicable to general members are generally applicable to the District's general members and those applicable to lifeguard members are generally applicable to the District's safety members.

All full-time City and District employees are eligible to participate in the Plan. Salaried classified employees become members of the system upon employment. Salaried unclassified employees hired on or after August 11, 1995 become members upon employment.

SDCERS is considered part of the City of San Diego's financial reporting entity and is included in the City's financial reports as a pension trust fund.

SDCERS issues a stand-alone financial report which is available at its office located at 401 B Street, Suite 400, San Diego, California 92101.

b. Funding Policy

SDCERS' funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using the projected unit credit actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 30 years (20 years remaining).

Employees are required to contribute a percentage of their annual salary to the Plan. Contributions vary according to age at entry into the plan and salary. The City and the District contribute a portion of the employees' share and the remaining amount necessary to fund the system based on an actuarial valuation at the end of the preceding year under the projected unit credit method of actuarial valuation. Prior to June 30, 1993, contributions were based on the entry age normal cost method of valuation.

During the period July 1, 2000 to June 30, 2001 contributions totaling \$81,914,000 (\$45,553,000 employer and \$36,361,000 employee) were made. Of the employer contributions, \$36,443,000 was applied to normal cost and \$9,110,000 was applied to unfunded accrued liability. All of the employer offset contributions were applied to normal cost.

In 1996 the City Council approved proposed changes to the San Diego City Employees' Retirement System (SDCERS) which included changes to retiree health insurance, plan benefits, employer contribution rates and system reserves. The proposal included a provision to assure the funding level of the system would not drop below a level the Board's actuary deems reasonable in order to protect the financial integrity of the SDCERS. A citizen required vote on the changes related to retiree health insurance passed overwhelmingly in 1996. In 1997, the active members of the SDCERS voted and approved the changes. Portions of the proposal requiring SDCERS Board approval (employer rates and reserves) were approved after review and approval by its independent fiduciary counsel and consultation with the actuary. The San Diego Municipal Code was then amended to reflect the changes.

The changes provide the employer contribution rates be "ramped up" to the actuarially recommended rate in .50 percent increments over a ten year period at such time it was projected that the Projected Unit Credit (PUC) and Entry Age Normal (EAN) rates would be equal and the SDCERS would convert to EAN. The actuary calculated the present value of the difference between the employer contribution rate and actuarial rates over the ten year period and this amount was funded in a reserve. This "Corridor" funding method is unique to the SDCERS and therefore is not one of the six funding methods formally sanctioned by the GASB for expending purposes. As a result for June 30, 2001, the actuary rates are reported to be \$30,983,000 more than paid by the City which, technically per GASB 27 effective for periods beginning

10. PENSION PLANS (Continued)

after June 15, 1997, is to be reported as a Net Pension Obligation (NPO) even though the shortfall is funded in a reserve. The actuary believes the Corridor funding method is an excellent method for the City and that it will be superior to the PUC funding method. The actuary is in the process of requesting the GASB to adopt the Corridor funding method as an approved expending method which would then eliminate any reported NPO.

c. Annual Required Contribution

The annual required contribution for the current year was determined as part of the June 30 actuarial valuation using the projected unit credit actuarial funding method. The actuarial assumptions included (a) an 8.0% investment rate of return and (b) projected salary increases of 4.75% per year. Both (a) and (b) included an inflation rate of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2001 was 20 years.

d. Three-Year Trend Analysis

The following table shows the City's Annual Pension Cost (APC) and the percentage of the APC contributed for the most current year available and preceding years (in thousands):

<u>Fiscal Year Ending</u>	<u>APC</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/98	\$40,863	75.81%	\$15,124
6/30/99	44,008	78.32	23,046
6/30/00	50,044	78.66	30,983

e. Net Pension Obligation Three Year-Trend Analysis

The following table shows the calculation of the City's NPO for the most current year available and preceding years (in thousands):

<u>Fiscal Year Ending</u>	<u>Actuarial Required Contribution (ARC)</u>	<u>Interest on NPO</u>	<u>ARC Adjustment</u>	<u>Amortization Factor</u>	<u>APC</u>	<u>Contribu- tions Made</u>	<u>Change in NPO</u>	<u>NPO</u>
6/30/98	\$40,660	\$ 478	\$ 275	21.69	\$40,863	\$30,979	\$9,149	\$15,124
6/30/99	43,504	1,210	706	21.41	44,008	34,467	7,922	23,046
6/30/00	49,276	1,844	1,076	21.41	50,044	39,364	7,937	30,983

DEFINED CONTRIBUTION PLANS

- a. Pursuant to the City's withdrawal from the Federal Social Security System effective January 8, 1982, and to the Federal Government's mandate of a Social Security Medicare tax for all employees not covered by Social Security hired on or after April 1, 1986, the City established the Supplemental Pension Savings Plan ("SPSP"), a defined contribution plan administered by American Express Trust Company, Minneapolis, MN, which provides pension benefits for eligible full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. State legislation requires that both the employee and the City contribute an amount equal to 3% of the employee's total salary each month. Participants in the plan hired before April 1, 1986 and on or after April 1, 1986 may voluntarily contribute up to an additional 4.5% and 3.05%, respectively, of total salary.

10. PENSION PLANS (Continued)

The City also contributes an amount equal to the employee voluntary contributions. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the City's contribution requirement.

The City and the covered employees contributed approximately \$41,556,000 for the year ending June 30, 2001. As of June 30, 2001, fair value of Plan assets totaled approximately \$390,319,000. SPSP is considered part of the City of San Diego's financial reporting entity and is included in the City's financial reports as a Pension Trust Fund.

In addition, the City established a 401(k) Plan effective July 1, 1985. The plan is a defined contribution plan administered by American Express Trust Company, Minneapolis, MN, to provide pension benefits for all eligible full-time employees. Employees are eligible to participate twelve months after the date of employment. Employees make contributions to their 401(k) accounts through payroll deductions, and may also elect to have the City contribute to their 401(k) accounts through the City's Employees' Flexible Benefits Program.

The employees' 401(k) contributions were calculated pursuant to various combination arrangements. The covered employees and the City contributed approximately \$19,316,000 during the Fiscal Year.

As of June 30, 2001, fair value of Plan assets totaled approximately \$104,909,000. The 401(k) Plan is considered part of the City of San Diego's financial reporting entity and is included in the City's financial reports as an Agency Fund.

- b. Centre City Development Corporation ("CCDC") has a Money Purchase Pension Plan covering all full-time permanent employees. The plan is a defined contribution plan under which benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first day of the month following 90 days after their date of employment. During each plan year, CCDC contributes quarterly an amount equal to 8% of the total quarterly compensation for all employees. CCDC's contributions for each employee are fully vested after six years of continuous service.

CCDC's total payroll in Fiscal Year 2001 was approximately \$2,445,056. CCDC contributions were calculated using the base salary amount of approximately \$2,326,716. CCDC made the required 8% contribution, amounting to approximately \$186,137 (net of forfeitures) for Fiscal Year 2001.

In addition, CCDC has a Tax Deferred Annuity Plan covering current and previous full-time permanent employees. The plan is a defined contribution plan. Employees are eligible to participate the first day of the month following 90 days after their date of employment. During each plan year, CCDC contributes semi-monthly an amount equal to 10% of the total semi-monthly compensation for all employees.

CCDC's contributions for each employee are fully vested at time of contribution.

CCDC's total payroll in Fiscal Year 2001 was approximately \$2,445,056. CCDC contributions were calculated using the base salary amount of approximately \$2,326,716. CCDC made the required 10% contribution amounting to approximately \$232,671 for Fiscal Year 2001. The Tax Deferred Annuity Plan includes amounts deposited by employees prior to CCDC becoming a contributor to the Plan.

The fiduciary responsibilities of CCDC consist of making contributions and remitting deposits collected.

10. PENSION PLANS (Continued)

- c. The San Diego Convention Center Corporation Money Purchase Pension Plan (the "Plan") became effective January 1, 1986. The Plan is a qualified defined contribution plan and, as such, benefits depend on amounts contributed to the plan plus investment earnings and allocated forfeitures, less allowable plan expenses. The Plan covers employees not otherwise covered through a collective bargaining unit agreement. Employees are eligible at the earlier of the date on which they complete six months of continuous full-time service, or the twelve-month period beginning on their hire date (or any subsequent plan year) during which they complete 1,000 hours of service. A plan year is defined as a calendar year. Plan balances for each eligible employee are vested gradually over five years of continuing service with an eligible employee becoming fully vested after five years. Forfeitures and Plan expenses are allocated in accordance with Plan provisions.

Required contributions were calculated using the covered compensation amount of approximately \$8,806,412. SDCCC has funded the required contribution as of June 30, 2001.

For the Fiscal Year ended June 30, 2001, pension expense for the Plan amounted to \$863,187. SDCCC records pension expense during the Fiscal Year based upon estimated covered compensation.

SDCCC offers its employees a Deferred Compensation Plan (the "Deferred Plan") created in accordance with Internal Revenue Code Section 457. The Deferred Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability, or an unforeseeable emergency.

SDCCC funds the deferred compensation through investments in various mutual funds administered by an insurance company. Until paid or made available to the employee or other beneficiary, such investments and all related earnings thereon are solely the property and right of SDCCC (without being restricted to the provisions of benefits under the Deferred Plan), subject only to the claims of SDCCC's general creditors. Participants under the Deferred Plan have only the right to receive benefits in an amount equal to the balance of their account. SDCCC is of the opinion that it has no liability for the losses under the Deferred Plan but does have the duty of due care that would be required of an ordinary prudent investor. SDCCC believes that it is unlikely that it will use the Deferred Plan's assets to satisfy claims of creditors in the future.

- d. San Diego Data Processing Corporation ("SDDPC") has accrued and set aside funds in a money market account to provide employees who transferred from the City to SDDPC with retirement benefits approximately equal to those under the City's retirement plan. As of June 30, 2001 and 2000, the balance in the account was \$121,798 and \$115,453, respectively.

The balance at June 30, 2001 consisted of the total estimated liability plus interest earned on the account since its establishment in Fiscal Year 1991.

In addition, SDDPC has in effect a Money Purchase Pension Plan ("the Plan") covering substantially all employees. The plan is a defined contribution plan, wherein benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. During each plan year, SDDPC contributes monthly an amount equal to 20% of the total monthly compensation for all employees. SDDPC contributions for each employee are fully vested after four years of continuous service.

SDDPC's total payroll in Fiscal Year 2001 and 2000, was approximately \$22,871,911 and \$20,686,496, respectively. As all employees are substantially covered, SDDPC contributions were calculated using this base salary amount. SDDPC made the required 20% contribution amounting to approximately \$4,247,425 and \$4,150,505 for Fiscal Years 2001 and 2000 respectively.

10. PENSION PLANS (Continued)

- e. San Diego Housing Commission ("SDHC") provides pension benefits for all of its full-time employees through a defined contribution plan. Employees are eligible to participate on the first day of their employment. The SDHC contributes an amount equal to 14% of the employee's base salary semi-monthly. The SDHC's contributions for each employee (and interest allocated to the employee's account) are fully vested after four years of continuous service. The SDHC contributions for, and interest forfeited by, employees who leave employment before four years of service are used to reduce the SDHC's contribution requirement.

SDHC made the required 14% contribution, amounting to approximately \$1,493,970 for Fiscal Year 2001 based on covered payroll of approximately \$10,374,262.

SDHC offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time SDHC employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability or an unforeseeable emergency.

Fair value of the Plan assets was \$18,856,838 at June 30, 2001.

- f. Southeastern Economic Development Corporation ("SEDC") has a Simplified Employee Pension Plan covering all full-time, permanent employees. The plan is a defined contribution plan. Employees are eligible to participate on the first day of the month following 90 days after their date of employment. During each plan year, SEDC contributes monthly an amount equal to 12% of the employee's base salary. Beginning July 1, 1998, SEDC contributed an additional monthly amount equal to 15% of the base salary for management employees. Such contributions are fully vested upon contributions.

SEDC's total payroll in Fiscal Year 2001 was approximately \$762,500. SEDC contributions were calculated using the base salary amount of approximately \$692,000. SEDC made the required 12% contribution, amounting to approximately \$93,600 for Fiscal Year 2001.

11. POST RETIREMENT HEALTH INSURANCE

In addition to providing pension benefits, the City of San Diego Municipal Code provides certain health care insurance benefits for retired general and safety members of SDCERS who retired on or after October 6, 1980. At June 30, 2001, approximately 2,435 eligible retirees received benefits.

Certain health care insurance benefits were established during Fiscal Year 1995 for eligible retirees who retired prior to October 6, 1980 or who were otherwise not eligible to receive City-paid health care insurance as of June 30, 1994. At June 30, 2001, approximately 648 eligible retirees received benefits.

Currently, expenses for post-employment healthcare benefits are recognized as they are paid. For the Fiscal Year ended June 30, 2001, expenditures of approximately \$7,207,018 were recognized for such health care benefits.

Substantially all of the City's general and safety members of SDCERS may become eligible for those benefits if they reach normal retirement age and meet service requirements as defined while working for the City.

12. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund working capital advances balances at June 30, 2001 are as follows (in thousands):

<u>Fund</u>	<u>Advances from Other Funds</u>	<u>Advances to Other Funds</u>
General Fund	\$ 0	\$10,628
Special Revenue Funds:		
City of San Diego:		
Acquisition, Improvement and Operation	0	349
Environmental Growth	0	848
Street Division Operations	0	9,574
Other Special Revenue (Budgeted)	0	77
Other Special Revenue (Unbudgeted)	0	13
Centre City Development Corporation	450	0
Southeastern Economic Development Corporation	159	0
Total Special Revenue Funds	<u>609</u>	<u>10,861</u>
Debt Service:		
City of San Diego:		
Other Special Assessments	13	0
San Diego Open Space Park Facilities District #1	<u>622</u>	<u>0</u>
Total Debt Service Funds	<u>635</u>	<u>0</u>
Capital Projects Funds:		
Redevelopment Agency	<u>0</u>	<u>609</u>
Total Capital Projects Funds	<u>0</u>	<u>609</u>
Enterprise Funds:		
City of San Diego:		
Airports	0	201
Development Services	0	108
Environmental Services	0	4,538
Golf Course	0	762
Recycling	0	3,535
Sewer Utility	0	13,902
Water Utility	<u>0</u>	<u>14,014</u>
Total Enterprise Funds	<u>0</u>	<u>37,060</u>
Internal Service Funds:		
City of San Diego:		
Central Garage and Machine Shop	52,547	36
Central Stores	3,282	46
Engineering and Capital Projects	0	165
Print Shop	0	59
Self Insurance	2,085	0
Miscellaneous Internal Services	<u>0</u>	<u>24</u>
Total Internal Service Funds	<u>57,914</u>	<u>330</u>
Trust and Agency Funds:		
City of San Diego:		
Other Miscellaneous Agency	<u>330</u>	<u>0</u>
Total	<u>\$59,488</u>	<u>\$59,488</u>

12. INTERFUND RECEIVABLE AND PAYABLE BALANCES (Continued)

Interfund receivable and payable balances at June 30, 2001 are as follows (in thousands):

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 87,135	\$ 0
Special Revenue Funds:		
City of San Diego:		
Environmental Growth	0	4,665
Qualcomm Stadium Operations	0	2,399
Transient Occupancy Tax	3,157	3,800
Other Special Revenue (Budgeted)	0	609
Other Special Revenue (Unbudgeted)	0	1,449
Redevelopment Agency	0	30,467
Total Special Revenue Funds	<u>3,157</u>	<u>43,389</u>
Debt Service Funds:		
City of San Diego:		
Redevelopment	200	0
Total Debt Service Funds	<u>200</u>	<u>0</u>
Capital Projects Funds:		
City of San Diego:		
Capital Outlay	700	9,600
Other Construction	9,600	0
Convention Center Expansion Financing Authority	0	758
Redevelopment Agency	29,567	0
San Diego Facilities and Equipment Leasing Corporation	0	17,333
Total Capital Projects Funds	<u>39,867</u>	<u>27,691</u>
Enterprise Funds:		
City of San Diego:		
Development Services	1,449	441
Environmental Services	441	0
Sewer Utility	0	0
Water Utility	17,333	0
Total Enterprise Funds	<u>19,223</u>	<u>441</u>
Trust and Agency Funds:		
Other Miscellaneous Agency	0	78,061
Total Trust and Agency Funds	<u>0</u>	<u>78,061</u>
Total	<u>\$149,582</u>	<u>\$149,582</u>
Primary Government and Component Unit		
Component Unit - SDCCC	\$ 1,026	\$ 0
Component Unit - SDHC	540	0
Primary Government - Transient Occupancy Tax	0	1,026
Primary Government - Other Special Revenue (Unbudgeted)	0	540
	<u>\$ 1,566</u>	<u>\$ 1,566</u>

13. ENTERPRISE FUNDS SEGMENT INFORMATION

The City maintains Enterprise Funds which provide airport, sewer, water and other services. Segment information for the year ended June 30, 2001 is as follows (in thousands):

	<u>Airports</u>	<u>The Centre</u>	<u>City Store</u>	<u>Develop- ment Services</u>	<u>Environ- mental Services</u>	<u>Subtotal</u>
Operating Revenues	\$ 3,442	\$ 0	\$ 753	\$38,897	\$ 33,933	\$77,025
Operating Expenses before Depreciation & Amortization	2,241	0	705	42,289	28,500	73,735
Depreciation & Amortization	476	0	1	856	494	1,827
Operating Income (Loss)	725	0	47	(4,248)	4,939	1,463
Operating Transfers In	1	0	0	72	13	86
Transfers In from Governmental Funds	0	0	0	584	0	584
Operating Transfers Out	(8)	0	0	(132)	(172)	(312)
Transfers Out to Governmental Funds	0	0	0	(467)	(59)	(526)
Nonoperating Revenue	444	0	12	1,365	4,118	5,939
Nonoperating Expense	0	0	0	(150)	(18)	(168)
Net Income (Loss)	1,162	0	59	(2,976)	8,821	7,066
Grant Revenues (Expenses)	125	0	0	0	0	125
Capital Contributions	126	0	0	0	0	126
Net Fixed Asset Additions	272	0	0	(335)	10,893	10,830
(Deletions)	0	(3)	0	(87)	(19)	(109)
Net Working Capital	5,912	0	261	(1,481)	30,188	34,880
Total Assets	15,572	0	298	13,640	150,459	179,969
Total Equity	15,361	0	276	726	137,611	153,974
Long-Term Liabilities:						
Other	37	0	0	841	10,719	11,597

13. ENTERPRISE FUNDS SEGMENT INFORMATION (Continued)

	Subtotal (Previous Page)	Golf Course	Recycling	Sewer Utility	Water Utility	San Diego Data Processing Corporation	Grand Total
Operating Revenues	\$77,025	\$8,083	\$19,554	\$ 214,431	\$ 211,385	\$ 57,245	\$587,723
Operating Expenses before Depreciation & Amortization	73,735	5,115	12,742	168,026	211,372	50,557	521,547
Depreciation & Amortization	1,827	210	625	37,776	12,529	6,113	59,080
Operating Income (Loss)	1,463	2,758	6,187	8,629	(12,516)	575	7,096
Operating Transfers In	86	1	25	105	67	0	284
Transfers In from Governmental Funds	584	0	0	29	0	0	613
Operating Transfers Out	(312)	(27)	(24)	(773)	(1,213)	0	(2,349)
Transfers Out to Governmental Funds	(526)	(1,252)	(20)	(187)	(270)	(500)	(2,755)
Nonoperating Revenue	5,939	472	997	34,516	28,176	73	70,173
Nonoperating Expense	(168)	(58)	0	(57,543)	(18,975)	(123)	(76,867)
Net Income (Loss)	7,066	1,894	7,165	(15,224)	(4,731)	25	(3,805)
Grant Revenues (Expenses)	125	0	0	199	905	0	1,229
Capital Contributions	126	151	0	33,888	34,515	0	68,680
Net Fixed Asset Additions	10,830	379	2,716	141,686	116,882	1,107	273,600
(Deletions)	(109)	(12)	0	(3,061)	(34)	0	(3,216)
Net Working Capital	34,880	6,390	16,289	397,152	371,084	(3,456)	822,339
Total Assets	179,969	14,773	24,901	2,872,820	1,390,033	23,692	4,506,188
Total Equity	153,974	14,182	17,391	1,663,382	946,009	11,950	2,806,888
Long-Term Liabilities:							
Other	11,597	93	6,658	1,117,131	384,057	4,179	1,523,715

14. CONTRIBUTED CAPITAL - PROPRIETARY FUNDS

During the year ended June 30, 2001, contributed capital increased (decreased) by the following amounts (in thousands):

Source	Enterprise Funds							Internal Service Funds
	Airports	Development Services	Environmental Services	Golf Course	Recycling	Sewer Utility	Water Utility	Central Garage and Machine Shop
Capacity Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$16,639	\$ 16,581	\$ 0
Developer-Capital Improvements	0	0	0	0	0	16,345	16,216	0
Federal Grant - Capital Improvements	0	0	0	0	0	654	278	0
Federal Grant - Capital Reimbursements	110	0	0	0	0	0	0	0
Government - General Fixed Assets	0	0	0	151	0	0	0	0
Government - Capital Infusion	0	0	0	0	0	581	1,440	0
Contribution in Aid	0	0	0	0	0	0	0	0
Government - Capital Reimbursement	0	0	0	0	0	0	0	0
Meters and Services	0	0	0	0	0	0	0	0
State Grant - Capital Reimbursements	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(331)</u>	<u>0</u>	<u>0</u>
Total Increases (Decreases)	126	0	0	151	0	33,888	34,515	0
Contributed Capital, July 1, 2000	<u>10,968</u>	<u>371</u>	<u>243</u>	<u>21</u>	<u>327</u>	<u>924,208</u>	<u>625,214</u>	<u>226</u>
Contributed Capital, June 30, 2001	<u>\$11,094</u>	<u>\$371</u>	<u>\$243</u>	<u>\$172</u>	<u>\$327</u>	<u>\$958,096</u>	<u>\$659,729</u>	<u>\$226</u>

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters which may render the City liable to the public and to its employees. The Self Insurance Fund, an Internal Service Fund, was created to provide coverage against such risks up to a maximum of \$3.0 million for each workers' compensation claim and \$1.0 million for each general or automobile claim.

In addition, the City maintains an excess liability insurance policy whereby the City pays the first \$1,000,000 per occurrence. Amounts in excess of \$1,000,000 up to \$24,000,000 per occurrence are covered by the insurance. Any amounts over \$24,000,000 per occurrence would be paid by the City.

15. RISK MANAGEMENT (Continued)

The City is self-insured for workers' compensation, long-term disability and certain employee group health coverages. Each participating fund contributes an amount equal to an actuarially determined rate times the gross salaries of the fund. These payments are treated as operating expenditures in the contributing funds and operating revenues in the receiving funds.

All funds of the City participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

Estimated liabilities for liability claims have been set up in the Self-Insurance Fund, Sewer Utility Fund, Water Utility Fund, as well as in the General Long-Term Debt Account Group. These amounts represent the City's determination of the probable ultimate cost of the claims. Property insurance is maintained on selected capital assets based upon various factors including management's assessment of the risks of loss.

The estimated liabilities as of June 30, 2001 are determined by the City based on recommendations from an independent actuarial evaluation. The liabilities are based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported (IBNR).

A reconciliation showing current and prior year activity is presented below (in thousands):

	Public Liability	City's Liability Under Worker's Comp, Long- Term Disability, & Group Health Insurance	Total
Balance July 1, 1999	\$ 41,025	\$ 33,733	\$ 74,758
Claims and Changes in Estimates	6,781	34,478	41,259
Claim Payments	<u>(9,640)</u>	<u>(31,938)</u>	<u>(41,578)</u>
Balance June 30, 2000	38,166	36,273	74,439
Claims and Changes in Estimates	27,237	23,830	51,067
Claim Payments	<u>(13,395)</u>	<u>(22,737)</u>	<u>(36,132)</u>
Balance June 30, 2001	<u>\$52,008</u>	<u>\$37,366</u>	<u>\$89,374</u>

During the current year, there were no significant reductions in insurance coverage from the prior year. For each of the past three Fiscal Years, the settlements have not exceeded insurance coverage.

16. FUND DEFICIT

The Internal Service Funds have a net fund equity surplus of approximately \$16,552,000 at June 30, 2001. This balance includes a fund equity deficit in the Self Insurance Fund of approximately \$29,300,000 which represents unfunded estimated claims and claim settlements related to worker's compensation, long-term disability and certain employee group health coverages. It is anticipated that individual claim settlements will be funded through user charges subsequent to the filing of a claim and prior to its settlement.

17. COMMITMENTS

At June 30, 2001, \$77,000,000 of Tax Anticipation Notes issued during Fiscal Year 2000-01 were still outstanding. Monies for full redemption of these notes were fully segregated in a separate repayment fund at June 30, 2001 and subsequently used to redeem the notes on October 2, 2001. The liability for these notes is shown in the General Fund. On July 2, 2001, the City issued \$73,000,000 of Tax Anticipation Notes to finance Fiscal Year 2001-02 General Fund cash flow requirements.

The City is currently obligated to transfer up to two-thirds of the annual franchise tax receipts in the Environmental Growth Fund (a Special Revenue Fund) to the San Diego Open Space Park Facilities District #1 (the "District") Fund (a Debt Service Fund) for the payment of debt service on the District's outstanding general obligation bonds. Such required debt service on the District's outstanding bond obligations of \$45,520,000 at June 30, 2001 is approximately \$7,178,358 for each of the subsequent five years ending June 30, 2006.

The City has guaranteed the payment of a revolving line of credit in the maximum amount of \$7,500,000 on behalf of various individuals through Wells Fargo Bank regarding the CDBG Housing Loan Leveraging Program. As of June 30, 2001, approximately \$1,225,229 of total leveraged loans are still outstanding.

The Sewer Utility's construction plans for various projects are estimated to cost approximately \$178,106,000. As of June 30, 2001, the Utility's contractual commitments for the projects totaled approximately \$75,809,000. The Utility intends to finance the contractual commitments with approved State and Federal grants, service charges and the Installment Purchase Agreement.

The Water Utility's construction plans for various projects are estimated to cost approximately \$129,592,554. As of June 30, 2001, the Utility's contractual commitments for the projects totaled approximately \$77,763,634. The Utility intends to finance the contractual commitments with reserves and service charges.

18. CONTINGENCIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would not have a material effect on the City's financial position.

In September 1989, legislation was adopted (Assembly Bill No. 2080) which requires the Redevelopment Agency of the City of San Diego to fund Low and Moderate Housing Activity equivalent to at least 20% of tax increment revenue received after Fiscal Year 1985. In October 1990, the Agency adopted a nine-year plan to fully fund the retroactive 20% requirement (Resolution No.'s 1911, 1912, and 1913). At June 30, 2001, the 20% requirement was fully funded.

Proposition 218 was approved by the voters in November 1996 and could limit the City's ability to collect new taxes and fees. This measure requires a voter majority approval for all taxes used for "general government purposes" and a two-thirds voter approval for "special taxes" used for defined purposes. Proposition 218 repeals any such taxes imposed after January 1, 1995, that fail to meet these requirements. If the City is unable to continue to collect these revenues, the services and programs funded with these revenues would be reduced or eliminated.

During 1997 the City entered into a ten year agreement with the San Diego Chargers professional football team which included a clause whereby the City would generally provide stadium rent credits to the San Diego Chargers for the value of unsold tickets up to 60,000 for any home game.

18. CONTINGENCIES (Continued)

In February 2000, a rainstorm partially dislodged a 3000 pound manhole cover leading to blockage in a sewer main in a remote canyon near San Diego State University. As a result, 34 million gallons of sewage spilled into the San Diego River. The proposed \$3,400,000 fine from the Regional Water Quality Control Board is currently being appealed.

De La Fuente Business Park, Inc. v. City of San Diego.

This lawsuit, filed in 1995, involves allegations of breach of contract and inverse condemnation brought by an Otay Mesa developer. The jury returned a verdict of \$94.5 million in favor of the plaintiff. Subsequent motion for a new trial resulted in a reduction of the verdict to \$65.3 million. However, interest is accruing and is already valued at \$26.5 million. The case is presently on appeal. The City's exposure could range from \$0-125 million.

Glickman v. City of San Diego.

This is a challenge to the City's red light photo enforcement program. No trial date has been set. If plaintiffs prevail, they will seek reimbursement to all drivers who paid traffic fines resulting from tickets issued pursuant to the red light enforcement program. The total of that reimbursement could be \$4-5 million.

19. THIRD PARTY DEBT

The City has authorized the issuance of certain bonds, in its name, to provide tax exempt status because it perceives a substantial public benefit will be achieved through the use of the proceeds. The City has also authorized Section 108 loans from the Department of Housing and Urban Development. The following describes the various types of such third party debt:

Mortgage and Revenue Bonds

Single Family Mortgage Revenue Bonds have been issued to provide funds to purchase mortgage loans secured by first trust deeds on newly constructed and existing single-family residences. The purpose of this program is to provide low interest rate home mortgage loans to persons of low or moderate income who are unable to qualify for conventional mortgages at market rates. Multi-Family Housing Revenue Bonds are issued to provide construction and permanent financing to developers of multi-family residential rental projects located in the City to be partially occupied by persons of low or moderate income.

Industrial Development Revenue Bonds

Industrial Development Revenue Bonds have been issued to provide financial assistance for the acquisition, construction, and installation of facilities for industrial, commercial or business purposes to mutually benefit the citizens of the City of San Diego.

1911 Act Special Assessment Bonds

1911 Act Special Assessment Bonds have been issued to provide funds for the construction or acquisition of public improvements, and/or the acquisition of property for public purposes, for the benefit of particular property holders within the City. Each bond is secured by a lien on a specific piece of property. As of June 30, 2001, the status of all third party bonds issued is as follows (in thousands):

19. THIRD PARTY DEBT (Continued)

	<u>Issued</u>	<u>Outstanding</u>
Mortgage Revenue	\$469,146,940	\$465,570,480
Industrial Development Revenue	366,805,000	357,381,000
1911 Act Special Assessment	<u>184,419</u>	<u>103,945</u>
Totals	<u>\$836,136,359</u>	<u>\$823,055,425</u>

These bonds do not constitute an indebtedness of the City. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans, certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures, property liens and other loans. In the opinion of City officials, these bonds are not payable from any revenues or assets of the City, and neither the full faith and credit for the taxing authority of the City, the state, or any political subdivision thereof is obligated to the payment of principal or interest on the bonds. In essence, the City is acting as an agent for the property owners/bondholders in collecting and forwarding the funds. Accordingly, no liability has been recorded in the City's General Long-Term Debt Account Group.

Section 108 Loans

The City has received Section 108 loans from the Department of Housing and Urban Development, to be repaid with future years Community Development Block Grant entitlements. Accordingly, no liability has been recorded in the City's General Long -Term Debt Account Group. As of June 30, 2001, \$26,615,000 remains outstanding.

20. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require that the City of San Diego place a final cover on its Miramar landfill site when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$9,920,000 reported as landfill closure and postclosure care liability at June 30, 2001 represents the cumulative amount reported to date based on the use of 59.7% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and postclosure care of \$6,709,297 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 1999. The City expects to close the landfill in the year 2003. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The City is in compliance with these requirements, and, at June 30, 2001 cash or equity in pooled cash and investments of \$20,696,000 is held for this purpose. This is reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from other sources.

21. OPERATING AGREEMENTSCity of San Diego and San Diego Data Processing Corporation

In September 1979, the San Diego Data Processing Corporation (SDDPC) entered into an operating agreement with the City. Under the terms of the agreement, as amended, SDDPC has agreed to provide data processing and services needed to support the operational and planning requirements of the City.

The rates charged for the various services are subject to adjustment each Fiscal Year. Included in data processing services revenue for the year ended June 30, 2001 and 2000 are \$24,475,142 and \$25,292,141, respectively, of revenue earned from the City under this agreement.

The operating agreement also requires SDDPC to purchase computer equipment, computer maintenance, various contractual services and other reimbursed expenses as a part of the service it provides to the City. The City then reimburses SDDPC the costs associated with these expenses. Such transactions are not considered to be revenues and expenses of SDDPC and are excluded from its statements of revenues, expenses and retained earnings. The amount of these expenditures for the years ended June 30, 2001 and 2000 are \$24,475,142 and \$25,292,141, respectively. SDDPC earned \$1,492,806 and \$1,583,210 in general and administrative fees from such transactions for year ended June 30, 2001 and 2000, respectively.

The operating agreement was amended during fiscal 1988 to have SDDPC provide and operate telecommunications services for the City. The rates for the various services are subject to adjustment each Fiscal Year.

San Diego Geographical Information System

In Fiscal Year 1998, a five-year services agreement was finalized between SDDPC and SANGIS.

Included in SDDPC's data processing services revenue are the following amounts relating to SANGIS for the years ended June 30, 2001 and 2000, respectively:

	<u>2001</u>	<u>2000</u>
City-SANGIS	<u>\$248,923</u>	<u>\$410,374</u>
Totals	<u>\$248,923</u>	<u>\$410,374</u>

Complete financial statements for each of the individual component units may be obtained from the City Auditor and Comptroller's office.

Automated Regional Justice Information System

On July 1, 1997, SDDPC renewed, through June 30, 2002, its agreement with a joint powers agency known as the Automated Regional Justice Information System ("ARJIS") whose main purpose is to pursue development of computerized law enforcement systems in the region.

Under the agreement, SDDPC is to provide data processing services to ARJIS at rates which, on an annual basis, are equivalent to those charged to other governmental entity clients. Included in SDDPC's data processing services revenue is approximately \$2,788,516 and \$2,809,396 relating to ARJIS for the years ended June 30, 2001 and 2000, respectively.

State of California

During Fiscal Year 1999, the SDDPC entered into an agreement with the State of California Department of Information Technology to provide data processing services. SDDPC's data processing services revenue for the year ended June 30, 2001 was approximately \$291,261.

21. OPERATING AGREEMENTS (Continued)San Diego Medical Services Enterprise, LLC

On July 1, 1997, the City entered into an operating agreement with San Diego Medical Services Enterprise, LLC ("SDMSE") to provide emergency medical services and emergency medical transportation services. Under the agreement, the City made an advance of \$500,000 to SDMSE to cover initial costs associated with emergency medical transports. In addition, the City agreed to provide an annual subsidy of \$900,000 to the LLC in the first two years of the five-year term of the EMS Agreement. In the remaining three years, the annual subsidy shall be \$650,000, totaling \$3.75 million over the five-year term of the EMS Agreement.

22. SUBSEQUENT EVENTS

- a. On July 2, 2001, the City issued the \$73,000,000 Fiscal Year 2001-2002 Tax Anticipation Notes.
- b. On October 2, 2001, the City paid off the \$53,000,000 Fiscal Year 2000-2001 Tax Anticipation Notes, Series A.
- c. On October 2, 2001, the City paid off the \$24,000,000 Fiscal Year 2000-2001 Tax Anticipation Notes, Series B.
- d. The City is preparing to issue approximately \$170,000,000 of Lease Revenue Bonds through the Public Facilities Financing Authority of the City of San Diego to finance a portion of the cost of building a state-of-the-art baseball park, a portion of a public park located adjacent to the baseball park, possible acquisition of certain land for the baseball park and other related land acquisitions, improvements and infrastructure.

23. PRIOR PERIOD ADJUSTMENTS

Interest received from the Bond Acquisition funds for the Sewer Utility and Water Utility Enterprise Funds were not recognized in previous fiscal years. The fiscal year 2000 financial statements have been restated to reflect the additional revenues received. The effect of this adjustment was an increase of \$62,704,000 to Prepaid and Reimbursable Items and Deposits and Unreserved Earnings resulting in restated June 30, 2000 balance of \$361,080,000 and \$1,181,036,000, respectively.

23. PRIOR PERIOD ADJUSTMENTS (Continued)

The following is a reconciliation of the retained earnings (in thousands):

	<u>Sewer</u>	<u>Water</u>
Retained earnings at beginning of year as previously stated	\$684,891	\$263,926
Interest Adjustment	<u>35,619</u>	<u>27,085</u>
Retained earnings at beginning of year as restated	<u>\$720,510</u>	<u>\$291,011</u>



TRUST AND AGENCY FUNDS
 PENSION TRUST FUNDS
 CITY EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION - ANALYSIS OF FUNDING PROGRESS
 LAST SIX FISCAL YEARS
 (IN MILLIONS)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) PUC (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
06/30/95	\$1,380,436	\$1,476,711	\$96,275	93.5	\$372,967	25.8
06/30/96	1,553,283	1,682,605	129,322	92.3	388,646	33.3
06/30/97	1,716,872	1,822,432	105,560	94.2	408,106	25.9
06/30/98	1,950,158	2,061,301	111,143	94.6	425,707	26.1
06/30/99	2,143,463	2,271,356	127,893	94.4	454,551	28.1
06/30/00	2,592,998	2,625,934	32,936	98.7	479,123	6.9

GENERAL FUND

THE GENERAL FUND IS THE GENERAL OPERATING FUND OF THE CITY. IT IS USED TO ACCOUNT FOR ALL FINANCIAL RESOURCES EXCEPT THOSE REQUIRED TO BE ACCOUNTED FOR IN ANOTHER FUND. GENERAL FUND REVENUES ARE DERIVED FROM SUCH SOURCES AS TAXES, LICENSES AND PERMITS, FINES, FORFEITURES AND PENALTIES, USE OF MONEY AND PROPERTY, AID FROM OTHER GOVERNMENTAL AGENCIES, CHARGES FOR CURRENT SERVICES AND OTHER REVENUE. CURRENT EXPENDITURES AND ENCUMBRANCES ARE CLASSIFIED BY THE FUNCTIONS OF GENERAL GOVERNMENT, COMMUNITY AND ECONOMIC DEVELOPMENT, PUBLIC SAFETY, LIBRARIES, PARKS, RECREATION AND CULTURE, PUBLIC WORKS, EMPLOYEE RELATIONS AND SPECIAL PROJECTS, MISCELLANEOUS AND UNALLOCATED, AND TRANSFER INTEREST EXPENDITURES. APPROPRIATIONS ARE MADE FROM THE FUND ANNUALLY. THE FUND WILL CONTINUE TO EXIST INDEFINITELY.

FINANCIAL STATEMENTS

GENERAL FUND

GENERAL FUND
CITY OF SAN DIEGO
BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	2001	2000
ASSETS		
Cash or Equity in Pooled Cash and Investments	\$ 48,777	\$ 24,708
Receivables:		
Taxes - Net	32,431	30,182
Accounts - Net	38,016	32,805
Claims - Net	16	36
Accrued Interest	3,011	2,744
From Other Funds	87,135	109,686
From Other Agencies	1,635	1,068
Advances to Other Funds	10,628	9,920
Advances to Other Agencies	350	350
Prepaid and Reimbursable Items and Deposits	152	1,161
TOTAL ASSETS	\$ 222,151	\$ 212,660
LIABILITIES		
Accounts Payable	\$ 2,057	\$ 2,927
Accrued Wages and Benefits	27,445	21,923
Deferred Revenue	37,942	33,904
Contracts and Notes Payable.....	77,000	99,500
TOTAL LIABILITIES	144,444	158,254
FUND EQUITY		
Fund Balance:		
Reserved for Encumbrances	11,150	11,628
Reserved for Advances and Deposits	10,978	10,270
Unreserved:		
Designated for Unrealized Gains.....	2,287	---
Designated for Subsequent Years' Expenditures	2,132	2,972
Undesignated	51,160	29,536
TOTAL FUND EQUITY	77,707	54,406
TOTAL LIABILITIES AND FUND EQUITY	\$ 222,151	\$ 212,660

GENERAL FUND
CITY OF SAN DIEGO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	2001	2000
REVENUES		
Property Taxes	\$ 158,585	\$ 144,288
Sales Taxes	142,069	130,240
Other Local Taxes	109,151	94,809
Licenses and Permits	22,154	20,693
Fines, Forfeitures and Penalties	29,776	28,410
Revenue from Use of Money and Property	40,841	34,429
Revenue from Federal Agencies	787	1,644
Revenue from Other Agencies	87,262	83,821
Charges for Current Services	84,156	77,469
Other Revenue	2,606	2,777
TOTAL REVENUES	677,387	618,580
EXPENDITURES		
Current:		
General Government	79,800	69,400
Community and Economic Development	19,778	14,661
Public Safety	369,607	348,869
Libraries	26,494	22,820
Parks, Recreation and Culture	56,748	49,850
Public Works	80,999	76,300
Employee Relations and Special Projects	548	637
Miscellaneous and Unallocated	1,367	1,881
Debt Service:		
Interest	4,616	5,213
TOTAL EXPENDITURES	639,957	589,631
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,430	28,949
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary/Fiduciary Funds	4,074	2,117
Transfers from Other Funds	29,236	30,511
Transfers from Component Unit	86	324
Transfers to Proprietary Funds	(14,274)	(18,976)
Transfers to Other Funds	(32,601)	(27,520)
Transfers to Component Unit	(650)	(650)
TOTAL OTHER FINANCING SOURCES (USES)	(14,129)	(14,194)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	23,301	14,755
Fund Balance at Beginning of Year	54,406	39,651
FUND BALANCE AT END OF YEAR	\$ 77,707	\$ 54,406

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ 158,585	\$ ---	\$ 158,585	\$ 159,874	\$ (1,289)
Sales Taxes	142,069	---	142,069	139,696	2,373
Other Local Taxes	109,151	---	109,151	99,709	9,442
Licenses and Permits	22,154	---	22,154	19,512	2,642
Fines, Forfeitures and Penalties	29,776	---	29,776	27,143	2,633
Revenue from Use of Money and Property	40,841	(2,287)	38,554	32,038	6,516
Revenue from Federal Agencies	787	---	787	875	(88)
Revenue from Other Agencies	87,262	---	87,262	75,151	12,111
Charges for Current Services	84,156	---	84,156	80,580	3,576
Other Revenue	2,606	---	2,606	3,390	(784)
Excess Revenue Appropriated	---	---	---	4,508	(4,508)
TOTAL REVENUES	677,387	(2,287)	675,100	642,476	32,624
EXPENDITURES					
Current:					
General Government	79,800	2,728	82,528	85,534	3,006
Community and Economic Development	19,778	865	20,643	21,244	601
Public Safety	369,607	3,568	373,175	380,181	7,006
Libraries	26,494	600	27,094	27,557	463
Parks, Recreation and Culture	56,748	2,405	59,153	62,419	3,266
Public Works	80,999	3,119	84,118	87,543	3,425
Employee Relations and Special Projects	548	---	548	636	88
Miscellaneous and Unallocated	1,367	51	1,418	1,550	132
Debt Service:					
Interest	4,616	---	4,616	4,616	---
TOTAL EXPENDITURES	639,957	13,336	653,293	671,280	17,987
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,430	(15,623)	21,807	(28,804)	50,611
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary/Fiduciary Funds	4,074	1,478	5,552	11,897	(6,345)
Transfers from Other Funds	29,236	---	29,236	35,465	(6,229)
Transfers from Component Unit	86	---	86	86	---
Transfers to Proprietary Funds	(14,274)	---	(14,274)	(14,274)	---
Transfers to Other Funds	(32,601)	---	(32,601)	(32,601)	---
Transfers to Component Unit	(650)	---	(650)	(650)	---
TOTAL OTHER FINANCING SOURCES (USES)	(14,129)	1,478	(12,651)	(77)	(12,574)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 23,301	\$ (14,145)	9,156	(28,881)	38,037
Fund Balance Undesignated at July 1, 2000			29,536	29,536	---
Reserved for Encumbrances at July 1, 2000			11,628	11,628	---
Designated for Subsequent Years' Expenditures at July 1, 2000			2,972	2,972	---
Designated for Subsequent Years' Expenditures at June 30, 2001			(2,132)	---	(2,132)
FUND BALANCE UNDESIGNATED AT June 30, 2001	\$ 51,160	\$ 15,255	\$ 35,905		

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF REVENUES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
PROPERTY TAXES					
One Percent Property Tax Allocation	\$ ---	\$ ---	\$ ---	\$ 159,874	\$ (159,874)
Current Year - Secured	133,057	---	133,057	---	133,057
Current Year Supplemental - Secured	6,321	---	6,321	---	6,321
Current Year - Unsecured	7,046	---	7,046	---	7,046
Current Unsecured Supplemental Roll	177	---	177	---	177
Homeowners' Exemptions - Secured	2,566	---	2,566	---	2,566
Homeowners' Exemptions - Unsecured	3	---	3	---	3
Prior Years' - Secured	3,777	---	3,777	---	3,777
Prior Years' - Unsecured	34	---	34	---	34
Interest and Penalties on Delinquent Taxes	585	---	585	---	585
Escapes - Secured	238	---	238	---	238
Escapes - Unsecured	239	---	239	---	239
Other Property Taxes	1,245	---	1,245	---	1,245
State Secured Unitary	3,297	---	3,297	---	3,297
TOTAL PROPERTY TAXES	158,585	---	158,585	159,874	(1,289)
SALES TAXES	142,069	---	142,069	139,696	2,373
OTHER LOCAL TAXES					
Franchises	44,708	---	44,708	39,213	5,495
Property Transfer Tax	5,710	---	5,710	5,189	521
Transient Occupancy Tax	58,733	---	58,733	55,307	3,426
TOTAL OTHER LOCAL TAXES	109,151	---	109,151	99,709	9,442
LICENSES AND PERMITS					
General Business Licenses	5,198	---	5,198	4,471	727
Refuse Collection Business Licenses	1,762	---	1,762	1,418	344
Other Regulatory Business Licenses	2,358	---	2,358	1,795	563
Rental Unit Tax	5,041	---	5,041	4,990	51
Parking Meter Revenue	5,412	---	5,412	4,545	867
Street and Curb Permits	63	---	63	49	14
Other Licenses and Permits	2,320	---	2,320	2,244	76
TOTAL LICENSES AND PERMITS	22,154	---	22,154	19,512	2,642
FINES, FORFEITURES AND PENALTIES					
California Vehicle Code Violations	28,196	---	28,196	26,257	1,939
Other City Ordinance Code Violations	1,580	---	1,580	885	695
Other California Statutory Violations	---	---	---	1	(1)
TOTAL FINES, FORFEITURES AND PENALTIES	29,776	---	29,776	27,143	2,633

Continued on next page

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF REVENUES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUE FROM USE OF MONEY AND PROPERTY					
Interest on Investments	\$ 15,558	\$ (2,287)	\$ 13,271	\$ 9,756	\$ 3,515
Balboa Park Rents and Concessions	463	---	463	398	65
Mission Bay Park Rents and Concessions	19,135	---	19,135	17,196	1,939
Torrey Pines Golf Course Rents and Concessions	87	---	87	145	(58)
Other Rents and Concessions	5,598	---	5,598	4,543	1,055
TOTAL REVENUE FROM USE OF MONEY AND PROPERTY	40,841	(2,287)	38,554	32,038	6,516
REVENUE FROM FEDERAL AGENCIES					
Revenue from Federal Agencies	787	---	787	875	(88)
REVENUE FROM OTHER AGENCIES					
State Motor Vehicle License Fees	67,164	---	67,164	64,760	2,404
Off-Highway Motor Vehicle License Fees	25	---	25	---	25
Local Relief	9,631	---	9,631	9,523	108
Tobacco Revenue	9,578	---	9,578	---	9,578
State Grants	864	---	864	868	(4)
TOTAL REVENUE FROM OTHER AGENCIES	87,262	---	87,262	75,151	12,111
CHARGES FOR CURRENT SERVICES					
Administrative Services to Other Agencies	411	---	411	22	389
Cemetery Revenue	670	---	670	649	21
Engineering Services	1,263	---	1,263	2,067	(804)
Fire Services	10,806	---	10,806	10,370	436
Golf Course Revenue	166	---	166	160	6
Library Revenue	1,700	---	1,700	1,602	98
Miscellaneous Recreation Revenue	2,355	---	2,355	1,930	425
Other Services	2,776	---	2,776	2,291	485
Paramedic Services	168	---	168	163	5
Planning and Miscellaneous Filing Fees	85	---	85	68	17
Police Services	3,000	---	3,000	4,249	(1,249)
Swimming Pools Revenue	1,326	---	1,326	1,250	76
Services Rendered to Other Funds for:					
General Government and Financial	28,094	---	28,094	27,567	527
Engineering	17,081	---	17,081	14,646	2,435
Park Design	1,265	---	1,265	864	401
Public Works	8,109	---	8,109	8,483	(374)
Miscellaneous Services	4,881	---	4,881	4,199	682
TOTAL CHARGES FOR CURRENT SERVICES	84,156	---	84,156	80,580	3,576

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF REVENUES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
OTHER REVENUE					
Other Refunds of Prior Years' Expenditures	\$ 474	\$ ---	\$ 474	\$ 447	\$ 27
Repairs and Damage Recoveries	266	---	266	62	204
Sale of Personal Property	642	---	642	281	361
Miscellaneous Revenue	1,224	---	1,224	2,600	(1,376)
TOTAL OTHER REVENUE	2,606	---	2,606	3,390	(784)
EXCESS REVENUE APPROPRIATED.....	---	---	---	4,508	(4,508)
TOTAL REVENUES	677,387	(2,287)	675,100	642,476	32,624
TRANSFERS FROM PROPRIETARY/FIDUCIARY FUNDS					
Enterprise Funds:					
San Diego Data Processing Corporation	500	---	500	500	---
City of San Diego:					
Development Services.....	467	---	467	467	---
Environmental Services.....	59	---	59	59	---
Golf Course.....	1,252	---	1,252	1,252	---
Recycling.....	20	---	20	20	---
Sewer Utility.....	187	---	187	187	---
Water Utility.....	270	---	270	270	---
Internal Service Funds:					
City of San Diego:					
Central Garage and Machine Shop.....	27	1,478	1,505	1,727	(222)
Engineering and Capital Projects.....	28	---	28	28	---
Print Shop.....	500	---	500	500	---
Miscellaneous Internal Service.....	137	---	137	1,137	(1,000)
Trust and Agency Funds:					
Pension Trust - Retiree Health Reserve.....	---	---	---	5,400	(5,400)
Nonexpendable Trust - Cemetery Perpetuity.....	627	---	627	350	277
TOTAL TRANSFERS FROM PROPRIETARY/ FIDUCIARY FUNDS	4,074	1,478	5,552	11,897	(6,345)
TRANSFERS FROM OTHER FUNDS					
Special Revenue Funds:					
Redevelopment Agency	900	---	900	1,000	(100)
City of San Diego:					
Police Decentralization.....	372	---	372	1,372	(1,000)
Special Gas Tax Street Improvement.....	3,308	---	3,308	4,698	(1,390)
Street Division Operations.....	77	---	77	77	---
Transient Occupancy Tax.....	14,151	---	14,151	17,210	(3,059)
Other Special Revenue - Budgeted.....	5,171	---	5,171	5,171	---
Other Special Revenue - Unbudgeted.....	1,356	---	1,356	1,986	(630)
Capital Projects Funds:					
City of San Diego:					
Other Construction	3,901	---	3,901	3,951	(50)
TOTAL TRANSFERS FROM OTHER FUNDS	29,236	---	29,236	35,465	(6,229)
TRANSFERS FROM COMPONENT UNIT					
Transfer from San Diego Medical Services Enterprise, LLC	86	---	86	86	---
TOTAL REVENUES AND TRANSFERS	\$ 710,783	\$ (809)	\$ 709,974	\$ 689,924	\$ 20,050

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT					
Departmental:					
Mayor					
Salaries and Wages	\$ 417	\$ ---	\$ 417	\$ 443	\$ 26
Non-Personnel	217	1	218	218	---
Total Mayor	634	1	635	661	26
Executive Services					
Salaries and Wages	858	---	858	863	5
Non-Personnel	318	15	333	363	30
Total Executive Services	1,176	15	1,191	1,226	35
Intergovernmental Relations					
Salaries and Wages	301	---	301	393	92
Non-Personnel	503	---	503	549	46
Total Intergovernmental Relations	804	---	804	942	138
City Council District 1					
Salaries and Wages	397	---	397	398	1
Non-Personnel	147	1	148	153	5
Total City Council District 1	544	1	545	551	6
City Council District 2					
Salaries and Wages	438	---	438	438	---
Non-Personnel	165	3	168	179	11
Total City Council District 2	603	3	606	617	11
City Council District 3					
Salaries and Wages	389	---	389	411	22
Non-Personnel	163	5	168	168	---
Total City Council District 3	552	5	557	579	22
City Council District 4					
Salaries and Wages	427	---	427	439	12
Non-Personnel	166	2	168	187	19
Total City Council District 4	593	2	595	626	31
City Council District 5					
Salaries and Wages	372	---	372	410	38
Non-Personnel	144	1	145	168	23
Total City Council District 5	516	1	517	578	61
City Council District 6					
Salaries and Wages	351	---	351	389	38
Non-Personnel	134	1	135	168	33
Total City Council District 6	485	1	486	557	71
City Council District 7					
Salaries and Wages	413	---	413	418	5
Non-Personnel	182	1	183	197	14
Total City Council District 7	595	1	596	615	19
City Council District 8					
Salaries and Wages	404	---	404	451	47
Non-Personnel	169	1	170	190	20
Total City Council District 8	573	1	574	641	67
Council Administration					
Salaries and Wages	352	---	352	352	---
Non-Personnel	243	---	243	244	1
Total Council Administration	595	---	595	596	1

Actual	Adjustment to Budgetary Basis	Prior Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Total Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 417	\$ ---	\$ 417	\$ 443	\$ 26
4	---	4	4	---	221	1	222	222	---
4	---	4	4	---	638	1	639	665	26
---	---	---	---	---	858	---	858	863	5
8	---	8	12	4	326	15	341	375	34
8	---	8	12	4	1,184	15	1,199	1,238	39
---	---	---	---	---	301	---	301	393	92
8	---	8	9	1	511	---	511	558	47
8	---	8	9	1	812	---	812	951	139
---	---	---	---	---	397	---	397	398	1
1	---	1	1	---	148	1	149	154	5
1	---	1	1	---	545	1	546	552	6
---	---	---	---	---	438	---	438	438	---
2	---	2	4	2	167	3	170	183	13
2	---	2	4	2	605	3	608	621	13
---	---	---	---	---	389	---	389	411	22
1	---	1	1	---	164	5	169	169	---
1	---	1	1	---	553	5	558	580	22
---	---	---	---	---	427	---	427	439	12
4	---	4	4	---	170	2	172	191	19
4	---	4	4	---	597	2	599	630	31
---	---	---	---	---	372	---	372	410	38
1	---	1	1	---	145	1	146	169	23
1	---	1	1	---	517	1	518	579	61
---	---	---	---	---	351	---	351	389	38
1	---	1	1	---	135	1	136	169	33
1	---	1	1	---	486	1	487	558	71
---	---	---	---	---	413	---	413	418	5
1	---	1	1	---	183	1	184	198	14
1	---	1	1	---	596	1	597	616	19
---	---	---	---	---	404	---	404	451	47
1	---	1	1	---	170	1	171	191	20
1	---	1	1	---	574	1	575	642	67
---	---	---	---	---	352	---	352	352	---
6	---	6	6	---	249	---	249	250	1
6	---	6	6	---	601	---	601	602	1

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GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Departmental (Continued):					
City Clerk					
Salaries and Wages	\$ 1,908	\$ ---	\$ 1,908	\$ 1,942	\$ 34
Non-Personnel	1,304	31	1,335	1,359	24
Total City Clerk	3,212	31	3,243	3,301	58
City Manager					
Salaries and Wages	359	---	359	359	---
Non-Personnel	134	---	134	135	1
Total City Manager	493	---	493	494	1
City Attorney					
Salaries and Wages	17,523	---	17,523	17,746	223
Non-Personnel	6,915	239	7,154	7,384	230
Total City Attorney	24,438	239	24,677	25,130	453
City Auditor and Comptroller					
Salaries and Wages	5,063	---	5,063	5,168	105
Non-Personnel	2,032	32	2,064	2,064	---
Total City Auditor and Comptroller	7,095	32	7,127	7,232	105
Personnel					
Salaries and Wages	3,052	---	3,052	3,219	167
Non-Personnel	1,507	127	1,634	1,711	77
Total Personnel	4,559	127	4,686	4,930	244
Special Projects					
Salaries and Wages	854	---	854	854	---
Non-Personnel	481	13	494	494	---
Total Special Projects	1,335	13	1,348	1,348	---
Information Technology & Communication					
Salaries and Wages	2,837	---	2,837	2,948	111
Non-Personnel	1,876	103	1,979	2,099	120
Total Information Technology & Communication	4,713	103	4,816	5,047	231
Financial Management:					
Budget & Management Services					
Salaries and Wages	1,561	---	1,561	1,648	87
Non-Personnel	739	14	753	762	9
Total Budget & Management Services	2,300	14	2,314	2,410	96
City Treasurer					
Salaries and Wages	2,588	---	2,588	2,600	12
Non-Personnel	3,879	231	4,110	4,130	20
Total City Treasurer	6,467	231	6,698	6,730	32
Purchasing					
Salaries and Wages	908	---	908	1,010	102
Non-Personnel	496	23	519	522	3
Total Purchasing	1,404	23	1,427	1,532	105
Public Media Affairs					
Salaries and Wages	195	---	195	218	23
Non-Personnel	114	1	115	138	23
Total Public Media Affairs	309	1	310	356	46
Total Financial Management	10,480	269	10,749	11,028	279
Financing Services					
Salaries and Wages	871	---	871	1,046	175
Non-Personnel	344	42	386	399	13
Total Financing Services	1,215	42	1,257	1,445	188
Total Departmental	65,210	887	66,097	68,144	2,047

Actual	Adjustment to Budgetary Basis	Prior Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Total Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,908	\$ ---	\$ 1,908	\$ 1,942	\$ 34
73	---	73	81	8	1,377	31	1,408	1,440	32
73	---	73	81	8	3,285	31	3,316	3,382	66
---	---	---	---	---	359	---	359	359	---
1	---	1	1	---	135	---	135	136	1
1	---	1	1	---	494	---	494	495	1
---	---	---	---	---	17,523	---	17,523	17,746	223
149	---	149	186	37	7,064	239	7,303	7,570	267
149	---	149	186	37	24,587	239	24,826	25,316	490
---	---	---	---	---	5,063	---	5,063	5,168	105
57	---	57	63	6	2,089	32	2,121	2,127	6
57	---	57	63	6	7,152	32	7,184	7,295	111
---	---	---	---	---	3,052	---	3,052	3,219	167
47	---	47	91	44	1,554	127	1,681	1,802	121
47	---	47	91	44	4,606	127	4,733	5,021	288
---	---	---	---	---	854	---	854	854	---
---	---	---	---	---	481	13	494	494	---
---	---	---	---	---	1,335	13	1,348	1,348	---
---	---	---	---	---	2,837	---	2,837	2,948	111
41	65	106	130	24	1,917	168	2,085	2,229	144
41	65	106	130	24	4,754	168	4,922	5,177	255
---	---	---	---	---	1,561	---	1,561	1,648	87
6	30	36	61	25	745	44	789	823	34
6	30	36	61	25	2,306	44	2,350	2,471	121
---	---	---	---	---	2,588	---	2,588	2,600	12
155	3	158	224	66	4,034	234	4,268	4,354	86
155	3	158	224	66	6,622	234	6,856	6,954	98
---	---	---	---	---	908	---	908	1,010	102
---	---	---	---	---	496	23	519	522	3
---	---	---	---	---	1,404	23	1,427	1,532	105
---	---	---	---	---	195	---	195	218	23
2	---	2	3	1	116	1	117	141	24
2	---	2	3	1	311	1	312	359	47
163	33	196	288	92	10,643	302	10,945	11,316	371
---	---	---	---	---	871	---	871	1,046	175
2	---	2	7	5	346	42	388	406	18
2	---	2	7	5	1,217	42	1,259	1,452	193
571	98	669	892	223	65,781	985	66,766	69,036	2,270

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GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Citywide Program:					
Elections					
Non-Personnel	\$ 389	\$ 31	\$ 420	\$ 420	\$ ---
General Government Printing					
Non-Personnel	220	---	220	220	---
Insurance					
Non-Personnel	344	---	344	344	---
Employee Personal Property Damage					
Non-Personnel	8	---	8	11	3
Independent Audit					
Non-Personnel	29	72	101	101	---
Assessments to Public Property					
Non-Personnel	187	---	187	197	10
Property Tax Administration					
Non-Personnel	1,645	---	1,645	1,649	4
Financial Accounting Systems					
Salaries and Wages	60	---	60	60	---
Non-Personnel	756	---	756	756	---
Total Financial Accounting Systems	816	---	816	816	---
Special Projects:					
Space Rental					
Salaries and Wages	151	---	151	151	---
Non-Personnel	4,879	557	5,436	5,436	---
Total Space Rental	5,030	557	5,587	5,587	---
San Diego Geographic Info Source					
Non-Personnel	404	19	423	423	---
Other Special Projects					
Salaries and Wages	432	---	432	432	---
Non-Personnel	3,686	764	4,450	5,090	640
Total Other Special Projects	4,118	764	4,882	5,522	640
Total Citywide Program	13,190	1,443	14,633	15,290	657
TOTAL GENERAL GOVERNMENT	78,400	2,330	80,730	83,434	2,704

Actual	Adjustment to Budgetary Basis	Prior Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Total Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 389	\$ 31	\$ 420	\$ 420	\$ ---
---	---	---	---	---	220	---	220	220	---
---	76	76	151	75	344	76	420	495	75
---	---	---	---	---	8	---	8	11	3
43	53	96	97	1	72	125	197	198	1
---	---	---	---	---	187	---	187	197	10
---	---	---	---	---	1,645	---	1,645	1,649	4
---	---	---	---	---	60	---	60	60	---
---	---	---	---	---	756	---	756	756	---
---	---	---	---	---	816	---	816	816	---
---	---	---	---	---	151	---	151	151	---
16	56	72	72	---	4,895	613	5,508	5,508	---
16	56	72	72	---	5,046	613	5,659	5,659	---
---	---	---	---	---	404	19	423	423	---
---	---	---	---	---	432	---	432	432	---
770	115	885	888	3	4,456	879	5,335	5,978	643
770	115	885	888	3	4,888	879	5,767	6,410	643
829	300	1,129	1,208	79	14,019	1,743	15,762	16,498	736
1,400	398	1,798	2,100	302	79,800	2,728	82,528	85,534	3,006

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GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
COMMUNITY & ECONOMIC DEVELOPMENT					
Departmental:					
Economic Development					
Salaries and Wages	\$ 3,690	\$ 59	\$ 3,749	\$ 3,750	\$ 1
Non-Personnel	6,973	557	7,530	7,575	45
Total Economic Development	10,663	616	11,279	11,325	46
Planning					
Salaries and Wages	5,080	---	5,080	5,284	204
Non-Personnel	3,249	164	3,413	3,438	25
Total Planning	8,329	164	8,493	8,722	229
Total Departmental	18,992	780	19,772	20,047	275
Citywide Program:					
Community & Economic Development Special Projects					
Non-Personnel	297	---	297	467	170
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	19,289	780	20,069	20,514	445
PUBLIC SAFETY					
Departmental:					
Neighborhood Code Compliance					
Salaries and Wages	3,339	---	3,339	3,436	97
Non-Personnel	2,111	128	2,239	2,239	---
Total Neighborhood Code Compliance	5,450	128	5,578	5,675	97
Police					
Salaries and Wages	169,369	---	169,369	170,643	1,274
Non-Personnel	77,316	1,907	79,223	80,659	1,436
Total Police	246,685	1,907	248,592	251,302	2,710
Fire & Life Safety Services					
Salaries and Wages	78,805	---	78,805	78,806	1
Non-Personnel	32,607	1,084	33,691	36,101	2,410
Total Fire & Life Safety Services	111,412	1,084	112,496	114,907	2,411
Total Departmental	363,547	3,119	366,666	371,884	5,218
Citywide Program:					
Police Review Board					
Salaries and Wages	126	---	126	126	---
Non-Personnel	85	---	85	86	1
Total Police Review Board	211	---	211	212	1
Animal Regulation					
Non-Personnel	3,458	73	3,531	3,540	9
Nuisance Abatement					
Non-Personnel	---	---	---	49	49
Emergency Medical Services					
Salaries and Wages	169	---	169	169	---
Non-Personnel	310	13	323	326	3
Total Emergency Medical Services	479	13	492	495	3
Other Special Projects					
Non-Personnel	7	115	122	459	337
Total Citywide Program	4,155	201	4,356	4,755	399
TOTAL PUBLIC SAFETY	367,702	3,320	371,022	376,639	5,617

Actual	Adjustment to Budgetary Basis	Prior Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Total Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,690	\$ 59	\$ 3,749	\$ 3,750	\$ 1
378	2	380	380	---	7,351	559	7,910	7,955	45
378	2	380	380	---	11,041	618	11,659	11,705	46
---	---	---	---	---	5,080	---	5,080	5,284	204
111	83	194	345	151	3,360	247	3,607	3,783	176
111	83	194	345	151	8,440	247	8,687	9,067	380
489	85	574	725	151	19,481	865	20,346	20,772	426
---	---	---	5	5	297	---	297	472	175
489	85	574	730	156	19,778	865	20,643	21,244	601
---	---	---	---	---	3,339	---	3,339	3,436	97
40	59	99	104	5	2,151	187	2,338	2,343	5
40	59	99	104	5	5,490	187	5,677	5,779	102
---	---	---	23	23	169,369	---	169,369	170,666	1,297
1,517	5	1,522	2,470	948	78,833	1,912	80,745	83,129	2,384
1,517	5	1,522	2,493	971	248,202	1,912	250,114	253,795	3,681
---	---	---	---	---	78,805	---	78,805	78,806	1
335	184	519	746	227	32,942	1,268	34,210	36,847	2,637
335	184	519	746	227	111,747	1,268	113,015	115,653	2,638
1,892	248	2,140	3,343	1,203	365,439	3,367	368,806	375,227	6,421
---	---	---	---	---	126	---	126	126	---
---	---	---	---	---	85	---	85	86	1
---	---	---	---	---	211	---	211	212	1
---	---	---	186	186	3,458	73	3,531	3,726	195
---	---	---	---	---	---	---	---	49	49
---	---	---	---	---	169	---	169	169	---
13	---	13	13	---	323	13	336	339	3
13	---	13	13	---	492	13	505	508	3
---	---	---	---	---	7	115	122	459	337
13	---	13	199	186	4,168	201	4,369	4,954	585
1,905	248	2,153	3,542	1,389	369,607	3,568	373,175	380,181	7,006

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GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
LIBRARIES					
Departmental:					
Libraries					
Salaries and Wages	\$ 14,685	\$ ---	\$ 14,685	\$ 14,983	\$ 298
Non-Personnel	11,445	523	11,968	12,053	85
Total Libraries	26,130	523	26,653	27,036	383
TOTAL LIBRARIES	26,130	523	26,653	27,036	383
PARKS, RECREATION AND CULTURE					
Departmental:					
Park and Recreation:					
Management					
Salaries and Wages	883	---	883	885	2
Non-Personnel	405	5	410	411	1
Total Management	1,288	5	1,293	1,296	3
Coastal Parks					
Salaries and Wages	6,455	---	6,455	7,033	578
Non-Personnel	6,855	527	7,382	7,675	293
Total Coastal Parks	13,310	527	13,837	14,708	871
Metro Parks					
Salaries and Wages	7,716	---	7,716	7,947	231
Non-Personnel	7,808	756	8,564	8,737	173
Total Metro Parks	15,524	756	16,280	16,684	404
Inland Parks					
Salaries and Wages	8,665	---	8,665	8,802	137
Non-Personnel	7,098	330	7,428	8,021	593
Total Inland Parks	15,763	330	16,093	16,823	730
Northern Parks					
Salaries and Wages	3,730	---	3,730	3,946	216
Non-Personnel	4,793	660	5,453	5,521	68
Total Northern Parks	8,523	660	9,183	9,467	284
Total Departmental	54,408	2,278	56,686	58,978	2,292
Citywide Program:					
Park and Recreation Projects					
Non-Personnel	454	74	528	1,370	842
TOTAL PARKS, RECREATION AND CULTURE	54,862	2,352	57,214	60,348	3,134
PUBLIC WORKS					
Departmental:					
Transportation:					
Management					
Salaries and Wages	174	---	174	174	---
Non-Personnel	62	---	62	63	1
Total Management	236	---	236	237	1
Street Division					
Non-Personnel	---	---	---	118	118
Parking Management					
Salaries and Wages	3,414	---	3,414	3,415	1
Non-Personnel	2,621	163	2,784	3,011	227
Total Parking Management	6,035	163	6,198	6,426	228
Traffic Engineering					
Salaries and Wages	3,194	---	3,194	3,539	345
Non-Personnel	1,743	88	1,831	2,109	278
Total Traffic Engineering	4,937	88	5,025	5,648	623
Total Transportation	11,208	251	11,459	12,429	970

		Prior Year						Total			
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)		
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 14,685	\$ ---	\$ 14,685	\$ 14,983	\$ 298		
364	77	441	521	80	11,809	600	12,409	12,574	165		
364	77	441	521	80	26,494	600	27,094	27,557	463		
364	77	441	521	80	26,494	600	27,094	27,557	463		
---	---	---	---	---	883	---	883	885	2		
1	---	1	3	2	406	5	411	414	3		
1	---	1	3	2	1,289	5	1,294	1,299	5		
---	---	---	---	---	6,455	---	6,455	7,033	578		
682	---	682	714	32	7,537	527	8,064	8,389	325		
682	---	682	714	32	13,992	527	14,519	15,422	903		
---	---	---	---	---	7,716	---	7,716	7,947	231		
190	24	214	217	3	7,998	780	8,778	8,954	176		
190	24	214	217	3	15,714	780	16,494	16,901	407		
---	---	---	---	---	8,665	---	8,665	8,802	137		
567	2	569	569	---	7,665	332	7,997	8,590	593		
567	2	569	569	---	16,330	332	16,662	17,392	730		
---	---	---	---	---	3,730	---	3,730	3,946	216		
446	27	473	568	95	5,239	687	5,926	6,089	163		
446	27	473	568	95	8,969	687	9,656	10,035	379		
1,886	53	1,939	2,071	132	56,294	2,331	58,625	61,049	2,424		
---	---	---	---	---	454	74	528	1,370	842		
1,886	53	1,939	2,071	132	56,748	2,405	59,153	62,419	3,266		
---	---	---	---	---	174	---	174	174	---		
---	---	---	---	---	62	---	62	63	1		
---	---	---	---	---	236	---	236	237	1		
---	---	---	---	---	---	---	---	118	118		
---	---	---	---	---	3,414	---	3,414	3,415	1		
45	18	63	130	67	2,666	181	2,847	3,141	294		
45	18	63	130	67	6,080	181	6,261	6,556	295		
---	---	---	---	---	3,194	---	3,194	3,539	345		
61	16	77	79	2	1,804	104	1,908	2,188	280		
61	16	77	79	2	4,998	104	5,102	5,727	625		
106	34	140	209	69	11,314	285	11,599	12,638	1,039		

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GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Departmental (Continued):					
Facilities Maintenance					
Salaries and Wages	\$ 6,898	\$ ---	\$ 6,898	\$ 7,184	\$ 286
Non-Personnel	8,582	646	9,228	9,320	92
Total Facilities Maintenance.....	15,480	646	16,126	16,504	378
Environmental Services:					
Environmental Programs					
Salaries and Wages	327	---	327	332	5
Non-Personnel	264	---	264	293	29
Total Environmental Programs.....	591	---	591	625	34
Refuse Collection					
Salaries and Wages	6,746	---	6,746	6,762	16
Non-Personnel	21,419	1,152	22,571	23,630	1,059
Total Refuse Collection	28,165	1,152	29,317	30,392	1,075
Total Environmental Services	28,756	1,152	29,908	31,017	1,109
Real Estate Assets					
Salaries and Wages	2,540	---	2,540	2,762	222
Non-Personnel	1,189	52	1,241	1,290	49
Total Real Estate Assets	3,729	52	3,781	4,052	271
Mt. Hope Cemetery					
Salaries and Wages	536	---	536	536	---
Non-Personnel	721	133	854	854	---
Total Mt. Hope Cemetery	1,257	133	1,390	1,390	---
Engineering and Capital Projects:					
Equal Opportunity Contracting					
Salaries and Wages	1,531	---	1,531	1,561	30
Non-Personnel	724	2	726	727	1
Total Equal Opportunity Contracting.....	2,255	2	2,257	2,288	31
Administration					
Salaries and Wages	471	---	471	472	1
Non-Personnel	222	1	223	223	---
Total Administration	693	1	694	695	1
Field Engineering					
Salaries and Wages	6,414	---	6,414	6,415	1
Non-Personnel	2,659	387	3,046	3,046	---
Total Field Engineering	9,073	387	9,460	9,461	1
Public Buildings & Parks					
Salaries and Wages	1,197	---	1,197	1,203	6
Non-Personnel	584	6	590	591	1
Total Public Buildings & Parks	1,781	6	1,787	1,794	7
Transportation & Drainage Design					
Salaries and Wages	3,315	---	3,315	3,509	194
Non-Personnel	1,793	121	1,914	1,948	34
Total Transportation & Drainage Design	5,108	121	5,229	5,457	228
Total Engineering and Capital Projects.....	18,910	517	19,427	19,695	268
Total Departmental	79,340	2,751	82,091	85,087	2,996
Citywide Program:					
Public Works Projects					
Salaries and Wages	332	---	332	334	2
Non-Personnel	576	101	677	779	102
Total Public Works Citywide Program	908	101	1,009	1,113	104
TOTAL PUBLIC WORKS.....	80,248	2,852	83,100	86,200	3,100

		Prior Year						Total			
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)		
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,898	\$ ---	\$ 6,898	\$ 7,184	\$ 286		
280	73	353	353	---	8,862	719	9,581	9,673	92		
280	73	353	353	---	15,760	719	16,479	16,857	378		
---	---	---	---	---	327	---	327	332	5		
---	---	---	---	---	264	---	264	293	29		
---	---	---	---	---	591	---	591	625	34		
---	---	---	---	---	6,746	---	6,746	6,762	16		
112	21	133	168	35	21,531	1,173	22,704	23,798	1,094		
112	21	133	168	35	28,277	1,173	29,450	30,560	1,110		
112	21	133	168	35	28,868	1,173	30,041	31,185	1,144		
---	---	---	---	---	2,540	---	2,540	2,762	222		
6	5	11	40	29	1,195	57	1,252	1,330	78		
6	5	11	40	29	3,735	57	3,792	4,092	300		
---	---	---	---	---	536	---	536	536	---		
64	---	64	68	4	785	133	918	922	4		
64	---	64	68	4	1,321	133	1,454	1,458	4		
---	---	---	---	---	1,531	---	1,531	1,561	30		
24	---	24	47	23	748	2	750	774	24		
24	---	24	47	23	2,279	2	2,281	2,335	54		
---	---	---	---	---	471	---	471	472	1		
15	---	15	17	2	237	1	238	240	2		
15	---	15	17	2	708	1	709	712	3		
---	---	---	---	---	6,414	---	6,414	6,415	1		
13	---	13	54	41	2,672	387	3,059	3,100	41		
13	---	13	54	41	9,086	387	9,473	9,515	42		
---	---	---	---	---	1,197	---	1,197	1,203	6		
---	---	---	---	---	584	6	590	591	1		
---	---	---	---	---	1,781	6	1,787	1,794	7		
---	---	---	---	---	3,315	---	3,315	3,509	194		
71	---	71	71	---	1,864	121	1,985	2,019	34		
71	---	71	71	---	5,179	121	5,300	5,528	228		
123	---	123	189	66	19,033	517	19,550	19,884	334		
691	133	824	1,027	203	80,031	2,884	82,915	86,114	3,199		
---	---	---	---	---	332	---	332	334	2		
60	134	194	316	122	636	235	871	1,095	224		
60	134	194	316	122	968	235	1,203	1,429	226		
751	267	1,018	1,343	325	80,999	3,119	84,118	87,543	3,425		

Continued on next page

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
EMPLOYEE RELATIONS & SPECIAL PROJECTS					
Departmental:					
Organization Effectiveness Program					
Salaries and Wages	\$ 359	\$ ---	\$ 359	\$ 424	\$ 65
Non-Personnel	182	---	182	204	22
TOTAL EMPLOYEE RELATIONS & SPECIAL PROJECTS	541	---	541	628	87
MISCELLANEOUS AND UNALLOCATED					
Citywide Program:					
Labor Relations					
Salaries and Wages	76	---	76	76	---
Non-Personnel	53	---	53	53	---
Total Labor Relations	129	---	129	129	---
Transportation					
Non-Personnel	278	---	278	278	---
Memberships					
Non-Personnel	404	---	404	404	---
Municipal Activities					
Non-Personnel	54	---	54	54	---
Travel Contingency					
Non-Personnel	1	---	1	5	4
Management Compensation Plan					
Non-Personnel	254	---	254	254	---
Training					
Salaries and Wages	13	---	13	13	---
Non-Personnel	18	---	18	18	---
Total Training	31	---	31	31	---
Random Drug Testing					
Salaries and Wages	37	---	37	42	5
Non-Personnel	81	41	122	122	---
Total Random Drug Testing	118	41	159	164	5
Fellowship Program					
Salaries and Wages	32	---	32	32	---
Non-Personnel	27	---	27	71	44
Total Fellowship Program	59	---	59	103	44
TOTAL MISCELLANEOUS AND UNALLOCATED	1,328	41	1,369	1,422	53
DEBT SERVICE					
Interest	4,616	---	4,616	4,616	---
TOTAL EXPENDITURES	633,116	12,198	645,314	660,837	15,523

Actual	Adjustment to Budgetary Basis	Prior Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Total Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 359	\$ ---	\$ 359	\$ 424	\$ 65
7	---	7	8	1	189	---	189	212	23
7	---	7	8	1	548	---	548	636	88
---	---	---	---	---	76	---	76	76	---
---	---	---	---	---	53	---	53	53	---
---	---	---	---	---	129	---	129	129	---
---	---	---	---	---	278	---	278	278	---
---	---	---	---	---	404	---	404	404	---
---	---	---	60	60	54	---	54	114	60
---	2	2	2	---	1	2	3	7	4
---	---	---	---	---	254	---	254	254	---
---	---	---	---	---	13	---	13	13	---
2	8	10	10	---	20	8	28	28	---
2	8	10	10	---	33	8	41	41	---
---	---	---	---	---	37	---	37	42	5
37	---	37	56	19	118	41	159	178	19
37	---	37	56	19	155	41	196	220	24
---	---	---	---	---	32	---	32	32	---
---	---	---	---	---	27	---	27	71	44
---	---	---	---	---	59	---	59	103	44
39	10	49	128	79	1,367	51	1,418	1,550	132
---	---	---	---	---	4,616	---	4,616	4,616	---
6,841	1,138	7,979	10,443	2,464	639,957	13,336	653,293	671,280	17,987

Continued on next page

GENERAL FUND
CITY OF SAN DIEGO
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Current Year Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
TRANSFERS TO PROPRIETARY FUNDS					
Internal Service Funds:					
City of San Diego:					
Self Insurance	\$ 5,237	\$ ---	\$ 5,237	\$ 5,237	\$ ---
Miscellaneous Internal Service	8,827	---	8,827	8,827	---
Total Internal Service Funds	14,064	---	14,064	14,064	---
TOTAL TRANSFERS TO PROPRIETARY FUNDS	14,064	---	14,064	14,064	---
TRANSFERS TO OTHER FUNDS					
Special Revenue Funds:					
City of San Diego:					
Acquisition, Improvement and Operation.....	49	---	49	49	---
Streets Division Operations.....	18,383	---	18,383	18,383	---
Other Special Revenue - Unbudgeted	12,211	---	12,211	12,211	---
Total Special Revenue Funds	30,643	---	30,643	30,643	---
Capital Projects Funds:					
Redevelopment Agency.....	174	---	174	174	---
City of San Diego:					
Other Construction.....	1,262	---	1,262	1,262	---
Total Capital Projects Funds	1,436	---	1,436	1,436	---
TOTAL TRANSFERS TO OTHER FUNDS	32,079	---	32,079	32,079	---
TRANSFER TO COMPONENT UNIT					
Transfer to San Diego Medical Services Enterprise, LLC	650	---	650	650	---
TOTAL EXPENDITURES AND TRANSFERS	\$ 679,909	\$ 12,198	\$ 692,107	\$ 707,630	\$ 15,523

		Prior Year						Total			
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)		
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,237	\$ ---	\$ 5,237	\$ 5,237	\$ ---		
210	---	210	210	---	9,037	---	9,037	9,037	---		
210	---	210	210	---	14,274	---	14,274	14,274	---		
210	---	210	210	---	14,274	---	14,274	14,274	---		
---	---	---	---	---	49	---	49	49	---		
---	---	---	---	---	18,383	---	18,383	18,383	---		
498	---	498	498	---	12,709	---	12,709	12,709	---		
498	---	498	498	---	31,141	---	31,141	31,141	---		
---	---	---	---	---	174	---	174	174	---		
24	---	24	24	---	1,286	---	1,286	1,286	---		
24	---	24	24	---	1,460	---	1,460	1,460	---		
522	---	522	522	---	32,601	---	32,601	32,601	---		
---	---	---	---	---	650	---	650	650	---		
\$ 7,573	\$ 1,138	\$ 8,711	\$ 11,175	\$ 2,464	\$ 687,482	\$ 13,336	\$ 700,818	\$ 718,805	\$ 17,987		



SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES (OTHER THAN THOSE FOR EXPENDABLE TRUSTS OR FOR MAJOR CAPITAL PROJECTS) THAT ARE LEGALLY RESTRICTED TO EXPENDITURES FOR SPECIFIED PURPOSES.

CITY OF SAN DIEGO

ACQUISITION, IMPROVEMENT AND OPERATION FUND

This fund accounts for various operating activities whose revenues are derived from specific sources and expenditures are legally restricted. These include Business Improvement Areas, Lighting and Landscape Maintenance Areas, Facilities Financing, and the City's public arts program. Revenues are derived from business tax surcharges, special assessments on property, various rents, concessions and fees, and interest earnings derived therefrom.

ENVIRONMENTAL GROWTH FUND

This fund was established in accordance with Section 103.1a of the City Charter to receive 25 percent of all monies derived from the revenues accruing to the City from gas, electricity, and steam franchises. One third of the franchise monies and the interest derived therefrom are used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego. Two thirds of the franchise monies and the interest derived therefrom are used as matching funds for open space acquisition and for debt service of bonds issued by the San Diego Open Space Facilities District No. 1.

POLICE DECENTRALIZATION FUND

This fund accounts for monies allocated for Police Department decentralization expenditures for temporary facilities and to devise future capital improvement projects. Revenues are derived from sales tax allocations.

PUBLIC TRANSPORTATION FUND

This fund was established to account for funds set aside as reserves to be used for transportation-related purposes. Fund transfers and interest derived therefrom are the main sources of revenue.

QUALCOMM STADIUM OPERATIONS FUND

This fund accounts for the operations of the Stadium. The Stadium hosts various sporting events for its football and baseball tenants. Revenues are derived from rents, concessions and parking, and advertising fees.

SPECIAL GAS TAX STREET IMPROVEMENT FUND

This fund was established to account for the receipt of motor vehicle fuel taxes from the State under Sections 2106 and 2107 of the Streets and Highways Code. Expenditures are for the construction, improvement, maintenance, and operation of public streets and highways.

SPECIAL REVENUE FUNDS (Continued)

CITY OF SAN DIEGO (Continued)

STREET DIVISION OPERATIONS FUND

This fund was established to account for the operations of the Transportation's Street Division. Revenues are derived from Gas Tax, Transnet, and General Fund transfers, as well as revenues received for services performed by the Streets Division. Expenditures are for maintenance and operation of City streets.

TRANSIENT OCCUPANCY TAX FUND

This fund was established to receive and expend transient occupancy taxes. Since 1964, a tax has been imposed on transients of hotel and motel rooms in the City of San Diego. Effective August 1994, the tax was increased from 9% to 10.5%.

ZOOLOGICAL EXHIBITS FUND

This fund was established to collect monies from a fixed property tax levy authorized by Section 77a of the City Charter for the maintenance of zoological exhibits in Balboa Park. These funds are remitted in accordance with a contractual agreement with the San Diego Zoological Society, a not-for-profit corporation independent from the City of San Diego.

OTHER SPECIAL REVENUE - BUDGETED

This fund was established to account for revenues derived specifically for a variety of budgeted special programs administered by departments such as Police, Development Services, and General Services. Revenues in this fund are derived from service charges, revenues from other agencies, and fines.

GRANTS FUND

This fund was established to account for revenue received from federal, state and other governmental agencies. Expenditures are made and accounted for as prescribed by appropriate grant provisions/agreements.

OTHER SPECIAL REVENUE FUND - UNBUDGETED

This fund was established to account for revenues earmarked for a variety of special programs administered by such departments as Engineering and Capital Projects, Libraries, Park and Recreation, and Police. Revenues in this fund are derived from such sources as parking fees, service charges, contributions from other agencies and private sources, and interest earnings.

SPECIAL REVENUE FUNDS (Continued)

CENTRE CITY DEVELOPMENT CORPORATION

This fund was established to account for the revenues and expenditures of the Centre City Development Corporation ("CCDC"). CCDC is a non-profit corporation that administers certain redevelopment projects in downtown San Diego and provides redevelopment advisory services to the Redevelopment Agency (the "Agency") of the City of San Diego. CCDC is primarily funded by the Agency and by the City of San Diego.

PUBLIC FACILITIES FINANCING AUTHORITY

This fund was established to account for the activities of the Public Facilities Financing Authority (the "Authority"). The Authority is a joint powers entity of the City and the Redevelopment Agency of the City of San Diego and was created to finance and construct public capital facility improvements of the Agency or the City. The Agency special revenue account is generally used to account for revenues from the Reassessment District Bond fund and investment income used to pay for costs of issuance and administrative expenses related to debt redemption.

REDEVELOPMENT AGENCY

This fund was established to account for the activities of the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency was established to provide a method for revitalizing deteriorated and blighted areas of the City of San Diego. The Agency special revenue account is used to account for funds restricted for use for the benefit of low and moderate income housing. Funding is primarily from property tax increment revenues and the City of San Diego.

SAN DIEGO INDUSTRIAL DEVELOPMENT AUTHORITY

This fund was established to account for revenues and expenditures of the San Diego Industrial Development Authority (the "Authority"). The Authority was formed in 1983 pursuant to the California Industrial Development Financing Act for the purpose of providing an alternative method of financing to participating parties for economic development purposes, through the sale and issuance of revenue bonds. Revenues are derived from fees collected from companies applying for industrial development bond financing. Expenditures are incurred for management and administrative services provided by the City of San Diego.

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

This fund was established to account for the revenues and expenditures of the Southeastern Economic Development Corporation ("SEDC"). SEDC is a non-profit corporation that administers economic development projects within the community of Southeast San Diego and provides redevelopment advisory services to the Redevelopment Agency of the City of San Diego (the "Agency"). SEDC is primarily funded by the Agency and by the City of San Diego pursuant to operating agreements under which SEDC is reimbursed for eligible costs incurred in connection with such activities.

FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	City of San Diego	Centre City Development Corporation	Public Facilities Financing Authority
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 134,181	\$ 53	\$ ---
Cash With Custodian/Fiscal Agent	305	---	---
Investments at Fair Value	80	---	14
Receivables:			
Taxes - Net	6,356	---	---
Accounts - Net	7,717	---	---
Claims - Net	42	---	---
Special Assessments - Net	458	---	---
Notes	3,094	---	---
Accrued Interest	1,351	---	---
Grants	14,774	---	---
Loans to Redevelopment Agency	---	459	---
From Other Funds	3,157	---	---
From Other Agencies	327	---	---
Advances to Other Funds	10,861	---	---
Advances to Other Agencies	3,726	---	---
Land Held for Resale	---	---	---
Prepaid and Reimbursable Items and Deposits	245	2	---
TOTAL ASSETS	\$ 186,674	\$ 514	\$ 14
LIABILITIES			
Accounts Payable	\$ 5,200	\$ 64	\$ ---
Accrued Wages and Benefits	1,377	---	---
Other Accrued Liabilities	74	---	---
Due to Other Funds	12,922	---	---
Due to Component Unit	1,566	---	---
Due to Other Agencies	202	---	---
Deferred Revenue	37,738	---	---
Advances from Other Funds	---	450	---
Sundry Trust Liabilities	2,266	---	---
TOTAL LIABILITIES	61,345	514	---
FUND EQUITY			
Fund Balances:			
Reserved for Land Held for Resale	---	---	---
Reserved for Encumbrances	23,624	---	---
Reserved for Advances and Deposits	11,328	---	---
Reserved for Debt Service	---	---	---
Unreserved:			
Designated for Unrealized Gains	658	---	---
Designated for Subsequent Years' Expenditures	26,195	---	14
Undesignated	63,524	---	---
TOTAL FUND EQUITY	125,329	---	14
TOTAL LIABILITIES AND FUND EQUITY	\$ 186,674	\$ 514	\$ 14

Redevelop- ment Agency	San Diego Industrial Development Authority	Southeastern Economic Development Corporation	Totals	
			2001	2000
\$ 127,622	\$ 46	\$ 127	\$ 262,029	\$ 232,561
---	---	---	305	243
---	---	---	94	51
843	---	---	7,199	6,303
---	---	---	7,717	7,870
---	---	---	42	22
---	---	---	458	539
15,196	---	---	18,290	13,959
1,043	1	---	2,395	2,577
---	---	---	14,774	14,121
---	---	117	576	535
---	---	---	3,157	669
---	---	---	327	110
---	---	---	10,861	9,004
---	---	---	3,726	5,059
7,507	---	---	7,507	3,673
---	---	1	248	59
\$ 152,211	\$ 47	\$ 245	\$ 339,705	\$ 297,355
\$ 405	\$ ---	\$ ---	\$ 5,669	\$ 7,859
---	---	---	1,377	1,402
---	---	---	74	1,155
30,467	---	---	43,389	32,041
---	---	---	1,566	4,299
---	---	---	202	75
15,196	---	---	52,934	48,932
---	---	159	609	609
---	---	---	2,266	1,744
46,068	---	159	108,086	98,116
7,507	---	---	7,507	3,673
10,557	---	---	34,181	27,908
---	---	---	11,328	12,658
41,563	---	---	41,563	35,728
751	---	---	1,409	---
16,419	15	---	42,643	61,029
29,346	32	86	92,988	58,243
106,143	47	86	231,619	199,239
\$ 152,211	\$ 47	\$ 245	\$ 339,705	\$ 297,355

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	City of San Diego	Centre City Development Corporation	Public Facilities Financing Authority
REVENUES			
Property Taxes	\$ 4,815	\$ ---	\$ ---
Special Assessments	9,026	---	---
Sales Taxes	38,008	---	---
Other Local Taxes	84,026	---	---
Licenses and Permits	4,470	---	---
Fines, Forfeitures and Penalties	3,125	---	---
Revenue from Use of Money and Property	23,851	2	1
Revenue from Federal Agencies	35,938	---	---
Revenue from Other Agencies	30,721	---	---
Revenue from Private Sources	19,950	---	---
Charges for Current Services	17,625	---	---
Other Revenue	3,112	6	---
TOTAL REVENUES	274,667	8	1
EXPENDITURES			
Current:			
General Government	6,581	---	243
Community and Economic Development	8,052	---	---
Public Safety	36,948	---	---
Libraries	4,870	---	---
Parks, Recreation and Culture	58,175	---	---
Public Works	71,279	---	---
Housing and Community Development	7,712	4,129	---
Public Transportation	8	---	---
Employee Relations and Special Projects	7,878	---	---
Miscellaneous and Unallocated	4	---	---
Capital Projects	16,834	---	---
Debt Service:			
Principal Retirement	1,475	---	---
Interest	1,620	---	---
TOTAL EXPENDITURES	221,436	4,129	243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	53,231	(4,121)	(242)
OTHER FINANCING SOURCES (USES)			
Transfers from Proprietary Funds	145	---	---
Transfers from Other Funds	93,236	4,121	256
Transfers from Component Unit	1,050	---	---
Transfers to Proprietary Funds	(743)	---	---
Transfers to Other Funds	(127,310)	---	---
Transfers to Component Unit	(11,733)	---	---
Proceeds from Revenue Bonds	---	---	---
Proceeds from Tax Allocation Bonds	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	(45,355)	4,121	256
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	7,876	---	14
Fund Balances at Beginning of Year	117,078	---	---
Residual Equity Transfers from (to) Other Funds	375	---	---
FUND BALANCES AT END OF YEAR	\$ 125,329	\$ ---	\$ 14

Redevelop- ment Agency	San Diego Industrial Development Authority	Southeastern Economic Development Corporation	Totals	
			2001	2000
\$ 15,218	\$ ---	\$ ---	\$ 20,033	\$ 15,042
---	---	---	9,026	7,855
---	---	---	38,008	43,274
---	---	---	84,026	76,332
---	---	---	4,470	5,861
---	---	---	3,125	2,731
8,723	3	---	32,580	30,578
---	---	---	35,938	45,062
---	---	---	30,721	13,034
717	---	---	20,667	16,953
---	---	---	17,625	17,531
---	---	---	3,118	8,362
24,658	3	---	299,337	282,615
916	---	---	7,740	6,346
---	---	---	8,052	1,628
---	---	---	36,948	47,072
---	---	---	4,870	3,417
---	---	---	58,175	55,873
---	---	---	71,279	73,485
319	---	1,420	13,580	13,535
---	---	---	8	14
---	---	---	7,878	7,124
---	---	---	4	33
1,500	---	---	18,334	16,392
---	---	---	1,475	1,300
---	---	---	1,620	1,516
2,735	---	1,420	229,963	227,735
21,923	3	(1,420)	69,374	54,880
---	---	---	145	116
2,540	---	1,422	101,575	86,236
---	---	---	1,050	2,272
---	---	---	(743)	(1,153)
(43,349)	---	---	(170,659)	(147,265)
---	---	---	(11,733)	(11,113)
---	---	---	---	10,174
42,996	---	---	42,996	7,264
2,187	---	1,422	(37,369)	(53,469)
24,110	3	2	32,005	1,411
82,033	44	84	199,239	197,828
---	---	---	375	---
\$ 106,143	\$ 47	\$ 86	\$ 231,619	\$ 199,239

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	City of San Diego	
	Actual on Budgetary Basis	Budget
REVENUES		
Property Taxes	\$ 4,714	\$ 4,415
Special Assessments	8,919	9,027
Sales Taxes	35,968	40,180
Other Local Taxes	84,026	80,407
Licenses and Permits	1,140	1,534
Fines, Forfeitures and Penalties	3,017	2,409
Revenue from Use of Money and Property	16,930	15,095
Revenue from Other Agencies	14,551	14,956
Revenue from Private Sources	122	42
Charges for Current Services	17,066	16,298
Other Revenue	819	2,878
TOTAL REVENUES	187,272	187,241
EXPENDITURES		
Current:		
General Government	1,287	1,510
Public Safety	19,110	21,101
Parks, Recreation and Culture	62,359	74,725
Public Works	61,064	68,410
Housing and Community Development	1,082	1,537
Public Transportation	11	130
Capital Projects	5,710	13,377
TOTAL EXPENDITURES	150,623	180,790
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	36,649	6,451
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary Funds	145	131
Transfers from Other Funds	60,218	65,585
Transfers from Component Unit	1,050	1,000
Transfers to Proprietary Funds	(743)	(743)
Transfers to Other Funds	(107,917)	(110,889)
Transfers to Component Unit	(5,043)	(5,170)
TOTAL OTHER FINANCING SOURCES (USES)	(52,290)	(50,086)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(15,641)	(43,635)
Fund Balances Undesignated at July 1, 2000	44,260	44,260
Reserved for Encumbrances at July 1, 2000	13,148	13,148
Designated for Subsequent Years' Expenditures at July 1, 2000	11,351	11,351
Designated for Subsequent Years' Expenditures at June 30, 2001	(8,324)	---
FUND BALANCES UNDESIGNATED AT June 30, 2001	\$ 44,794	\$ 25,124

Centre City Development Corporation		Southeastern Economic Development Corporation		Actual on Budgetary Basis		Total	Variance Favorable (Unfavorable)
Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget		
\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,714	\$ 4,415	\$ 299	
---	---	---	---	8,919	9,027	(108)	
---	---	---	---	35,968	40,180	(4,212)	
---	---	---	---	84,026	80,407	3,619	
---	---	---	---	1,140	1,534	(394)	
---	---	---	---	3,017	2,409	608	
2	---	---	---	16,932	15,095	1,837	
---	---	---	---	14,551	14,956	(405)	
---	---	---	---	122	42	80	
---	---	---	---	17,066	16,298	768	
6	---	---	---	825	2,878	(2,053)	
8	---	---	---	187,280	187,241	39	
---	---	---	---	1,287	1,510	223	
---	---	---	---	19,110	21,101	1,991	
---	---	---	---	62,359	74,725	12,366	
---	---	---	---	61,064	68,410	7,346	
4,129	4,360	1,420	1,618	6,631	7,515	884	
---	---	---	---	11	130	119	
---	---	---	---	5,710	13,377	7,667	
4,129	4,360	1,420	1,618	156,172	186,768	30,596	
(4,121)	(4,360)	(1,420)	(1,618)	31,108	473	30,635	
---	---	---	---	145	131	14	
4,121	4,360	1,422	1,618	65,761	71,563	(5,802)	
---	---	---	---	1,050	1,000	50	
---	---	---	---	(743)	(743)	---	
---	---	---	---	(107,917)	(110,889)	2,972	
---	---	---	---	(5,043)	(5,170)	127	
4,121	4,360	1,422	1,618	(46,747)	(44,108)	(2,639)	
---	---	2	---	(15,639)	(43,635)	27,996	
---	---	84	---	44,344	44,260	84	
---	---	---	---	13,148	13,148	---	
---	---	---	---	11,351	11,351	---	
---	---	---	---	(8,324)	---	(8,324)	
\$ ---	\$ ---	\$ 86	\$ ---	\$ 44,880	\$ 25,124	\$ 19,756	

**SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)**

	Acquisition, Improvement and Operation	Environmental Growth	Budgeted Police Decentral- ization	Public Trans- portation	Qualcomm Stadium Operations
ASSETS					
Cash or Equity in Pooled Cash and Investments	\$ 7,635	\$ 6,563	\$ 5,535	\$ 2,119	\$ 3,108
Cash With Custodian/Fiscal Agent	---	---	---	---	---
Investments at Fair Value	---	---	---	---	---
Receivables:					
Taxes - Net	---	2,144	---	---	---
Accounts - Net	763	---	---	---	1,645
Claims - Net	4	---	---	---	---
Special Assessments - Net	376	---	---	---	---
Notes	---	---	---	---	---
Accrued Interest	93	29	---	57	5
Grants	---	---	---	---	---
From Other Funds	---	---	---	---	---
From Other Agencies	---	---	---	---	---
Advances to Other Funds	349	848	---	---	---
Advances to Other Agencies	467	---	---	---	---
Prepaid and Reimbursable Items and Deposits	---	---	---	---	31
TOTAL ASSETS	\$ 9,687	\$ 9,584	\$ 5,535	\$ 2,176	\$ 4,789
LIABILITIES					
Accounts Payable	\$ 562	\$ 18	\$ 761	\$ ---	\$ 398
Accrued Wages and Benefits	62	---	---	---	212
Other Accrued Liabilities	---	---	---	---	---
Due to Other Funds	---	4,665	---	---	2,399
Due to Component Unit	---	---	---	---	---
Due to Other Agencies	---	---	---	---	---
Deferred Revenue	1,062	---	---	---	678
Sundry Trust Liabilities	---	---	---	---	---
TOTAL LIABILITIES	1,686	4,683	761	---	3,687
FUND EQUITY					
Fund Balances:					
Reserved for Encumbrances	690	139	---	3	786
Reserved for Advances and Deposits	816	848	---	---	---
Unreserved:					
Designated for Unrealized Gains	73	5	---	34	28
Designated for Subsequent Years'					
Expenditures	44	240	---	---	27
Undesignated	6,378	3,669	4,774	2,139	261
TOTAL FUND EQUITY	8,001	4,901	4,774	2,176	1,102
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,687	\$ 9,584	\$ 5,535	\$ 2,176	\$ 4,789

					Unbudgeted				
Special Gas Tax Street Improvement	Street Division Operations	Transient Occupancy Tax	Zoological Exhibits	Other Special Revenue	Grants	Other Special Revenue	Totals		
							2001	2000	
\$ 1,072	\$ 6,076	\$ 31,075	\$ 297	\$ 6,897	\$ 15,318	\$ 48,486	\$ 134,181	\$ 124,195	
---	---	---	---	---	---	305	305	243	
---	---	---	---	---	---	80	80	51	
---	---	4,107	68	---	---	37	6,356	5,542	
2,030	177	588	---	1,249	---	1,265	7,717	7,870	
2	36	---	---	---	---	---	42	22	
---	---	---	---	---	---	82	458	539	
---	---	92	---	---	430	2,572	3,094	1,732	
82	---	147	---	296	302	340	1,351	1,169	
---	---	---	---	27	14,738	9	14,774	14,121	
---	---	3,157	---	---	---	---	3,157	669	
---	---	220	---	---	107	---	327	110	
---	9,574	---	---	77	---	13	10,861	9,004	
---	---	2 685	---	---	384	190	3,726	5,059	
---	1	3	---	---	---	210	245	40	
\$ 3,186	\$ 15,864	\$ 42,074	\$ 365	\$ 8,546	\$ 31,279	\$ 53,589	\$ 186,674	\$ 170,366	
\$ 1	\$ 375	\$ 465	\$ ---	\$ 192	\$ 1,906	\$ 522	\$ 5,200	\$ 7,768	
1	832	48	---	173	49	---	1,377	1,401	
---	74	---	---	---	---	---	74	1,155	
---	---	3,800	---	609	---	1,449	12,922	141	
---	---	1,026	---	---	---	540	1,566	4,299	
---	---	---	---	---	202	---	202	75	
25	213	680	---	112	21,079	13,889	37,738	36,705	
---	---	---	---	---	2,266	---	2,266	1,744	
27	1,494	6,019	---	1,086	25,502	16,400	61,345	53,288	
254	4,796	9,962	---	891	217	5,886	23,624	18,829	
---	9,574	---	---	77	---	13	11,328	12,658	
48	---	172	---	49	38	211	658	---	
600	---	5,404	365	1,644	---	17,871	26,195	27,461	
2,257	---	20,517	---	4,799	5,522	13,208	63,524	58,130	
3,159	14,370	36,055	365	7,460	5,777	37,189	125,329	117,078	
\$ 3,186	\$ 15,864	\$ 42,074	\$ 365	\$ 8,546	\$ 31,279	\$ 53,589	\$ 186,674	\$ 170,366	

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	Acquisition, Improvement and Operation	Environ- mental Growth	Budgeted Police Decentral- ization	Public Trans- portation	Qualcomm Stadium Operations
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	8,919	---	---	---	---
Sales Taxes	924	---	7,357	---	---
Other Local Taxes	---	9,272	---	---	---
Licenses and Permits	1,140	---	---	---	---
Fines, Forfeitures and Penalties	---	---	---	---	---
Revenue from Use of Money and Property	479	143	---	306	13,836
Revenue from Federal Agencies	---	---	---	---	---
Revenue from Other Agencies	---	---	---	---	---
Revenue from Private Sources	9	---	---	---	---
Charges for Current Services	2,004	---	---	---	---
Other Revenue	32	10	---	---	186
TOTAL REVENUES	13,507	9,425	7,357	306	14,022
EXPENDITURES					
Current:					
General Government	1,109	---	---	---	---
Community and Economic Development	---	---	---	---	---
Public Safety	---	---	7,951	---	---
Libraries	---	---	---	---	---
Parks, Recreation and Culture	160	1,449	---	---	17,276
Public Works	10,686	---	---	---	---
Housing and Community Development	1,081	---	---	---	---
Public Transportation	---	---	---	8	---
Employee Relations and Special Projects	---	---	---	---	---
Miscellaneous and Unallocated	---	---	---	---	---
Capital Projects	---	49	---	---	626
Debt Service:					
Principal Retirement	---	---	---	---	---
Interest	---	---	---	---	---
TOTAL EXPENDITURES	13,036	1,498	7,951	8	17,902
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	471	7,927	(594)	298	(3,880)
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	15	---	---	---	1
Transfers from Other Funds	714	1,367	---	2,719	9,019
Transfers from Component Unit	---	---	---	---	---
Transfers to Proprietary Funds	(16)	---	---	---	(19)
Transfers to Other Funds	---	(8,250)	(1,441)	(6,513)	(4,964)
Transfers to Component Unit	---	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	713	(6,883)	(1,441)	(3,794)	4,037
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,184	1,044	(2,035)	(3,496)	157
Fund Balances at Beginning of Year	6,817	3,857	6,809	5,672	945
Residual Equity Transfers from (to) Other Funds	---	---	---	---	---
FUND BALANCES AT END OF YEAR	\$ 8,001	\$ 4,901	\$ 4,774	\$ 2,176	\$ 1,102

Special Gas Tax Street Improvement	Street Division Operations	Transient Occupancy Tax	Zoological Exhibits	Other Special Revenue	Unbudgeted		Totals	
					Grants	Other Special Revenue	2001	2000
\$ ---	\$ ---	\$ ---	\$ 4,714	\$ ---	\$ ---	\$ 101	\$ 4,815	\$ 4,406
---	---	---	---	---	---	107	9,026	7,855
---	---	27,687	---	---	---	2,040	38,008	43,274
23,608	---	51,146	---	---	---	---	84,026	76,332
---	---	---	---	---	---	3,330	4,470	5,861
---	45	---	---	2,972	---	108	3,125	2,731
645	---	1,067	---	863	1,424	5,088	23,851	25,403
---	---	---	---	---	35,938	---	35,938	45,062
---	5	5,018	---	9,528	14,861	1,309	30,721	13,034
3	110	---	---	---	17	19,811	19,950	15,809
14	1,218	307	---	13,523	---	559	17,625	17,531
1	553	8	---	29	1,436	857	3,112	8,213
24,271	1,931	85,233	4,714	26,915	53,676	33,310	274,667	265,511
---	---	18	---	78	585	4,791	6,581	4,058
---	---	---	---	---	8,042	10	8,052	1,628
---	---	---	---	10,567	17,038	1,392	36,948	47,072
---	---	---	---	---	2,341	2,529	4,870	3,417
---	---	31,897	4,581	88	740	1,984	58,175	55,873
293	40,773	68	---	1,362	---	18,097	71,279	73,485
---	---	---	---	---	4,559	2,072	7,712	8,237
---	---	---	---	---	---	---	8	14
---	---	---	---	---	4,567	3,311	7,878	7,124
---	---	---	---	---	4	---	4	13
39	---	2,828	---	60	5,906	7,326	16,834	12,882
---	---	---	---	---	1,475	---	1,475	1,300
---	---	---	---	---	1,620	---	1,620	1,516
332	40,773	34,811	4,581	12,155	46,877	41,512	221,436	216,619
23,939	(38,842)	50,422	133	14,760	6,799	(8,202)	53,231	48,892
---	8	---	---	121	---	---	145	116
---	45,614	785	---	---	1,662	31,356	93,236	73,006
---	---	---	---	1,050	---	---	1,050	2,272
---	(137)	(22)	---	(549)	---	---	(743)	(1,153)
(23,515)	(77)	(48,677)	---	(14,271)	(5,506)	(14,096)	(127,310)	(121,350)
---	---	(6,638)	---	---	(1,713)	(3,382)	(11,733)	(11,093)
(23,515)	45,408	(54,552)	---	(13,649)	(5,557)	13,878	(45,355)	(58,202)
424	6,566	(4,130)	133	1,111	1,242	5,676	7,876	(9,310)
2,735	7,804	40,185	232	6,349	4,535	31,138	117,078	126,388
---	---	---	---	---	---	375	375	---
\$ 3,159	\$ 14,370	\$ 36,055	\$ 365	\$ 7,460	\$ 5,777	\$ 37,189	\$ 125,329	\$ 117,078

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Acquisition, Improvement and Operation Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	8,919	---	8,919	9,027	(108)
Sales Taxes	924	---	924	924	---
Other Local Taxes	---	---	---	---	---
Licenses and Permits	1,140	---	1,140	1,534	(394)
Fines, Forfeitures and Penalties	---	---	---	---	---
Revenue from Use of Money and Property	479	(73)	406	196	210
Revenue from Other Agencies	---	---	---	---	---
Revenue from Private Sources	9	---	9	9	---
Charges for Current Services	2,004	---	2,004	2,271	(267)
Other Revenue	32	---	32	1,136	(1,104)
TOTAL REVENUES	13,507	(73)	13,434	15,097	(1,663)
EXPENDITURES					
Current:					
General Government	1,109	82	1,191	1,414	223
Public Safety	---	---	---	---	---
Parks, Recreation and Culture	160	145	305	305	---
Public Works	10,686	941	11,627	18,512	6,885
Housing and Community Development	1,081	1	1,082	1,537	455
Public Transportation	---	---	---	---	---
Capital Projects	---	1	1	1,537	1,536
TOTAL EXPENDITURES	13,036	1,170	14,206	23,305	9,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	471	(1,243)	(772)	(8,208)	7,436
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	15	---	15	---	15
Transfers from Other Funds	714	---	714	969	(255)
Transfers from Component Unit	---	---	---	---	---
Transfers to Proprietary Funds	(16)	---	(16)	(16)	---
Transfers to Other Funds	---	---	---	---	---
Transfers to Component Unit	---	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	713	---	713	953	(240)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 1,184	\$ (1,243)	(59)	(7,255)	7,196
Fund Balances Undesignated at July 1, 2000			5,587	5,587	---
Reserved for Encumbrances at July 1, 2000			894	894	---
Designated for Subsequent Years' Expenditures at July 1, 2000			---	---	---
Designated for Subsequent Years' Expenditures at June 30, 2001			(44)	---	(44)
FUND BALANCES UNDESIGNATED AT JUNE 30, 2001			\$ 6,378	\$ (774)	\$ 7,152

ANNUAL FINANCIAL REPORT

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SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	---	---	---	---	---
Sales Taxes	---	---	---	---	---
Other Local Taxes	---	---	---	---	---
Licenses and Permits	---	---	---	---	---
Fines, Forfeitures and Penalties	---	---	---	---	---
Revenue from Use of Money and Property	306	(34)	272	250	22
Revenue from Other Agencies	---	---	---	---	---
Revenue from Private Sources	---	---	---	---	---
Charges for Current Services	---	---	---	---	---
Other Revenue	---	---	---	---	---
TOTAL REVENUES	306	(34)	272	250	22
EXPENDITURES					
Current:					
General Government	---	---	---	---	---
Public Safety	---	---	---	---	---
Parks, Recreation and Culture	---	---	---	---	---
Public Works	---	---	---	---	---
Housing and Community Development	---	---	---	---	---
Public Transportation	8	3	11	130	119
Capital Projects	---	---	---	---	---
TOTAL EXPENDITURES	8	3	11	130	119
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	298	(37)	261	120	141
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	---	---	---	---	---
Transfers from Other Funds	2,719	---	2,719	4,210	(1,491)
Transfers from Component Unit	---	---	---	---	---
Transfers to Proprietary Funds	---	---	---	---	---
Transfers to Other Funds	(6,513)	---	(6,513)	(7,091)	578
Transfers to Component Unit	---	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	(3,794)	---	(3,794)	(2,881)	(913)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (3,496)	\$ (37)	(3,533)	(2,761)	(772)
Fund Balances Undesignated at July 1, 2000			5,670	5,670	---
Reserved for Encumbrances at July 1, 2000			2	2	---
Designated for Subsequent Years' Expenditures at July 1, 2000			---	---	---
Designated for Subsequent Years' Expenditures at June 30, 2001			---	---	---
FUND BALANCES UNDESIGNATED AT JUNE 30, 2001	\$	2,139	\$	2,911	\$ (772)

ANNUAL FINANCIAL REPORT

Continued on next page

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Street Division Operations				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	---	---	---	---	---
Sales Taxes	---	---	---	---	---
Other Local Taxes	---	---	---	---	---
Licenses and Permits	---	---	---	---	---
Fines, Forfeitures and Penalties	45	---	45	450	(405)
Revenue from Use of Money and Property	---	---	---	---	---
Revenue from Other Agencies	5	---	5	44	(39)
Revenue from Private Sources	110	---	110	33	77
Charges for Current Services	1,218	---	1,218	831	387
Other Revenue	553	---	553	---	553
TOTAL REVENUES	1,931	---	1,931	1,358	573
EXPENDITURES					
Current:					
General Government	---	---	---	---	---
Public Safety	---	---	---	---	---
Parks, Recreation and Culture	---	---	---	---	---
Public Works	40,773	6,577	47,350	47,707	357
Housing and Community Development	---	---	---	---	---
Public Transportation	---	---	---	---	---
Capital Projects	---	---	---	---	---
TOTAL EXPENDITURES	40,773	6,577	47,350	47,707	357
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(38,842)	(6,577)	(45,419)	(46,349)	930
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	8	---	8	---	8
Transfers from Other Funds	45,614	---	45,614	46,608	(994)
Transfers from Component Unit	---	---	---	---	---
Transfers to Proprietary Funds	(137)	---	(137)	(137)	---
Transfers to Other Funds	(77)	---	(77)	(77)	---
Transfers to Component Unit	---	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	45,408	---	45,408	46,394	(986)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 6,566	\$ (6,577)	(11)	45	(56)
Fund Balances Undesignated at July 1, 2000			---	---	---
Reserved for Encumbrances at July 1, 2000			10	10	---
Designated for Subsequent Years' Expenditures at July 1, 2000			1	1	---
Designated for Subsequent Years' Expenditures at June 30, 2001			---	---	---
FUND BALANCES UNDESIGNATED AT JUNE 30, 2001			\$ ---	\$ 56	\$ (56)

Transient Occupancy Tax					Zoological Exhibits				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,714	\$ ---	\$ 4,714	\$ 4,415	\$ 299
---	---	---	---	---	---	---	---	---	---
27,687	---	27,687	34,410	(6,723)	---	---	---	---	---
51,146	---	51,146	50,279	867	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
1,067	(172)	895	---	895	---	---	---	---	---
5,018	---	5,018	5,390	(372)	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
307	---	307	153	154	---	---	---	---	---
8	---	8	---	8	---	---	---	---	---
85,233	(172)	85,061	90,232	(5,171)	4,714	---	4,714	4,415	299
18	---	18	18	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
31,897	5,860	37,757	44,659	6,902	4,581	---	4,581	4,583	2
68	55	123	148	25	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
2,828	2,042	4,870	10,198	5,328	---	---	---	---	---
34,811	7,957	42,768	55,023	12,255	4,581	---	4,581	4,583	2
50,422	(8,129)	42,293	35,209	7,084	133	---	133	(168)	301
---	---	---	---	---	---	---	---	---	---
785	---	785	3,283	(2,498)	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
(22)	---	(22)	(22)	---	---	---	---	---	---
(48,677)	---	(48,677)	(48,683)	6	---	---	---	---	---
(6,638)	1,595	(5,043)	(5,170)	127	---	---	---	---	---
(54,552)	1,595	(52,957)	(50,592)	(2,365)	---	---	---	---	---
\$ (4,130)	\$ (6,534)	(10,664)	(15,383)	4,719	\$ 133	\$ ---	133	(168)	301
		20,608	20,608	---			---	---	---
		7,806	7,806	---			---	---	---
		8,171	8,171	---			232	232	---
		(5,404)	---	(5,404)			(365)	---	(365)
		\$ 20,517	\$ 21,202	\$ (685)			\$ ---	\$ 64	\$ (64)

Continued on next page

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	---	---	---	---	---
Sales Taxes	---	---	---	---	---
Other Local Taxes	---	---	---	---	---
Licenses and Permits	---	---	---	---	---
Fines, Forfeitures and Penalties	2,972	---	2,972	1,959	1,013
Revenue from Use of Money and Property	863	(49)	814	15	799
Revenue from Other Agencies	9,528	---	9,528	9,522	6
Revenue from Private Sources	---	---	---	---	---
Charges for Current Services	13,523	---	13,523	13,043	480
Other Revenue	29	---	29	---	29
TOTAL REVENUES	26,915	(49)	26,866	24,539	2,327
EXPENDITURES					
Current:					
General Government	78	---	78	78	---
Public Safety	10,567	592	11,159	12,098	939
Parks, Recreation and Culture	88	9	97	141	44
Public Works	1,362	298	1,660	1,710	50
Housing and Community Development	---	---	---	---	---
Public Transportation	---	---	---	---	---
Capital Projects	60	---	60	63	3
TOTAL EXPENDITURES	12,155	899	13,054	14,090	1,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,760	(948)	13,812	10,449	3,363
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	121	---	121	130	(9)
Transfers from Other Funds	---	---	---	130	(130)
Transfers from Component Unit	1,050	---	1,050	1,000	50
Transfers to Proprietary Funds	(549)	---	(549)	(549)	---
Transfers to Other Funds	(14,271)	---	(14,271)	(14,271)	---
Transfers to Component Unit	---	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	(13,649)	---	(13,649)	(13,560)	(89)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 1,111	\$ (948)	163	(3,111)	3,274
Fund Balances Undesignated at July 1, 2000			2,427	2,427	---
Reserved for Encumbrances at July 1, 2000			2,176	2,176	---
Designated for Subsequent Years' Expenditures at July 1, 2000			1,677	1,677	---
Designated for Subsequent Years' Expenditures at June 30, 2001			(1,644)	---	(1,644)
FUND BALANCES UNDESIGNATED AT JUNE 30, 2001	\$	\$	4,799	\$ 3,169	\$ 1,630

Actual	Adjustment to Budgetary Basis	Total Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 4,714	\$ ---	\$ 4,714	\$ 4,415	\$ 299
8,919	---	8,919	9,027	(108)
35,968	---	35,968	40,180	(4,212)
84,026	---	84,026	80,407	3,619
1,140	---	1,140	1,534	(394)
3,017	---	3,017	2,409	608
17,339	(409)	16,930	15,095	1,835
14,551	---	14,551	14,956	(405)
122	---	122	42	80
17,066	---	17,066	16,298	768
819	---	819	2,878	(2,059)
187,681	(409)	187,272	187,241	31
1,205	82	1,287	1,510	223
18,518	592	19,110	21,101	1,991
55,451	6,908	62,359	74,725	12,366
53,182	7,882	61,064	68,410	7,346
1,081	1	1,082	1,537	455
8	3	11	130	119
3,602	2,108	5,710	13,377	7,667
133,047	17,576	150,623	180,790	30,167
54,634	(17,985)	36,649	6,451	30,198
145	---	145	131	14
60,218	---	60,218	65,585	(5,367)
1,050	---	1,050	1,000	50
(743)	---	(743)	(743)	---
(107,708)	(209)	(107,917)	(110,889)	2,972
(6,638)	1,595	(5,043)	(5,170)	127
(53,676)	1,386	(52,290)	(50,086)	(2,204)
\$ 958	\$ (16,599)	(15,641)	(43,635)	27,994
		44,260	44,260	---
		13,148	13,148	---
		11,351	11,351	---
		(8,324)	---	(8,324)
		\$ 44,794	\$ 25,124	\$ 19,670



**SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
ENVIRONMENTAL GROWTH FUND
BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)**

	Two-Thirds Requirement	One-Third Requirement	Totals 2001	2000
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 6,233	\$ 330	\$ 6,563	\$ 1,179
Receivables:				
Taxes - Net	1,429	715	2,144	1,806
Accrued Interest	7	22	29	28
Advances to Other Funds	622	226	848	848
TOTAL ASSETS	\$ 8,291	\$ 1,293	\$ 9,584	\$ 3,861
LIABILITIES				
Accounts Payable	\$ ---	\$ 18	\$ 18	\$ 4
Due to Other Funds	4,665	---	4,665	---
TOTAL LIABILITIES	4,665	18	4,683	4
FUND EQUITY				
Fund Balances:				
Reserved for Encumbrances	---	139	139	201
Reserved for Advances and Deposits	622	226	848	848
Unreserved:				
Designated for Unrealized Gains	---	5	5	---
Designated for Subsequent Years' Expenditures	---	240	240	91
Undesignated	3,004	665	3,669	2,717
TOTAL FUND EQUITY	3,626	1,275	4,901	3,857
TOTAL LIABILITIES AND FUND EQUITY	\$ 8,291	\$ 1,293	\$ 9,584	\$ 3,861

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)**

	Two-Thirds Requirement	One-Third Requirement	Totals 2001	2000
REVENUES				
Other Local Taxes	\$ 6,192	\$ 3,080	\$ 9,272	\$ 7,553
Revenue from Use of Money and Property	64	79	143	92
Other Revenue	---	10	10	---
TOTAL REVENUES	6,256	3,169	9,425	7,645
EXPENDITURES				
Current:				
Parks, Recreation and Culture	---	1,449	1,449	1,352
Capital Projects	---	49	49	164
TOTAL EXPENDITURES	---	1,498	1,498	1,516
EXCESS OF REVENUES OVER EXPENDITURES	6,256	1,671	7,927	6,129
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,367	---	1,367	718
Transfers to Other Funds	(6,789)	(1,461)	(8,250)	(8,347)
TOTAL OTHER FINANCING SOURCES (USES)	(5,422)	(1,461)	(6,883)	(7,629)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	834	210	1,044	(1,500)
Fund Balances at Beginning of Year	2,792	1,065	3,857	5,357
FUND BALANCES AT END OF YEAR	\$ 3,626	\$ 1,275	\$ 4,901	\$ 3,857

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO
ENVIRONMENTAL GROWTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Two-Thirds Requirement Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Other Local Taxes	\$ 6,192	\$ ---	\$ 6,192	\$ 5,030	\$ 1,162
Revenue from Use of Money and Property	64	---	64	54	10
Other Revenue	---	---	---	---	---
TOTAL REVENUES	6,256	---	6,256	5,084	1,172
EXPENDITURES					
Current:					
Parks, Recreation and Culture	---	---	---	---	---
Capital Projects	---	---	---	---	---
TOTAL EXPENDITURES	---	---	---	---	---
EXCESS OF REVENUES OVER EXPENDITURES	6,256	---	6,256	5,084	1,172
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	1,367	---	1,367	902	465
Transfers to Other Funds	(6,789)	---	(6,789)	(6,789)	---
TOTAL OTHER FINANCING SOURCES (USES)	(5,422)	---	(5,422)	(5,887)	465
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 834	\$ ---	834	(803)	1,637
Fund Balances Undesignated at July 1, 2000			2,170	2,170	---
Reserved for Encumbrances at July 1, 2000			---	---	---
Designated for Subsequent Years' Expenditures at July 1, 2000			---	---	---
Designated for Subsequent Years' Expenditures at June 30, 2001			---	---	---
FUND BALANCES UNDESIGNATED AT JUNE 30, 2001	\$ 3,004	\$ 1,367	\$ 1,637	\$ 1,637	

One-Third Requirement					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 3,080	\$ ---	\$ 3,080	\$ 2,477	\$ 603	\$ 9,272	\$ ---	\$ 9,272	\$ 7,507	\$ 1,765
79	(5)	74	54	20	143	(5)	138	108	30
10	---	10	464	(454)	10	---	10	464	(454)
3,169	(5)	3,164	2,995	169	9,425	(5)	9,420	8,079	1,341
1,449	108	1,557	1,557	---	1,449	108	1,557	1,557	---
49	31	80	320	240	49	31	80	320	240
1,498	139	1,637	1,877	240	1,498	139	1,637	1,877	240
1,671	(144)	1,527	1,118	409	7,927	(144)	7,783	6,202	1,581
---	---	---	---	---	1,367	---	1,367	902	465
(1,461)	---	(1,461)	(1,461)	---	(8,250)	---	(8,250)	(8,250)	---
(1,461)	---	(1,461)	(1,461)	---	(6,883)	---	(6,883)	(7,348)	465
\$ 210	\$ (144)	66	(343)	409	\$ 1,044	\$ (144)	900	(1,146)	2,046
		547	547	---			2,717	2,717	---
		201	201	---			201	201	---
		91	91	---			91	91	---
		(240)	---	(240)			(240)	---	(240)
		\$ 665	\$ 496	\$ 169			\$ 3,669	\$ 1,863	\$ 1,806



DEBT SERVICE FUNDS

DEBT SERVICE FUNDS ARE USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES FOR, AND THE PAYMENT OF, GENERAL LONG-TERM DEBT PRINCIPAL, INTEREST AND RELATED COSTS.

CITY OF SAN DIEGO

PRE-ARRAIGNMENT DETENTION FACILITY

This fund was established to account for the payment of principal and interest and to maintain a reserve for certificates of participation issued in fiscal year 1992. The certificates were issued to fund construction of a misdemeanor pre-arraignment detention facility. Certificate payments are made from funds appropriated during the annual budget process. The reserve is to be used only in the event there are insufficient funds available to pay the annual principal or interest requirement.

PUBLIC SAFETY COMMUNICATIONS PROJECT

This fund was established to account for the payment of principal and interest on general obligation bonds issued in 1991. These bonds are serviced by property taxes.

OTHER SPECIAL ASSESSMENTS FUNDS

These funds were established to account for the payment of principal and interest for bonds issued under the Improvement Bond Act of 1915 and the Mello-Roos Community Facilities District Act of 1982. These bonds are serviced by assessments and special taxes levied on property owners within each assessment area.

CITY OF SAN DIEGO/METROPOLITAN TRANSIT DEVELOPMENT BOARD AUTHORITY

This fund was established to account for the debt service activities of the City of San Diego/Metropolitan Transit Development Board Authority (the "Authority") Joint Powers Agency. The Authority was created to acquire, construct, maintain and operate public transit facilities. The Authority debt service fund is used to account for the payment of long-term debt principal and interest. This fund is serviced by investment income, lease payments from the City of San Diego, and proceeds from lease revenue bonds and certificates of participation.

CONVENTION CENTER EXPANSION FINANCING AUTHORITY

This fund was established to account for the debt service activities of the Convention Center Expansion Financing Authority (the "Authority"). The Authority is a joint powers entity of the City of San Diego and the San Diego Unified Port District and was established to finance, acquire and construct an expansion to the existing convention center. The Authority debt service fund is used to account for the payment of long-term debt principal and interest.

DEBT SERVICE FUNDS (Continued)

PUBLIC FACILITIES FINANCING AUTHORITY

This fund was established to account for the debt service activities of the Public Facilities Financing Authority (the "Authority"). The Authority is a joint powers entity of the City of San Diego and the Redevelopment Agency of the City of San Diego and was created to finance and construct public capital facility improvements of the Agency or the City. The Authority debt service fund is used to account for the payment of long-term debt principal and interest.

REDEVELOPMENT AGENCY

This fund was established to account for the debt service activities of the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency was established to provide a method for revitalizing deteriorated and blighted areas of the City of San Diego. This fund is serviced by property tax increments, sale of real estate, and investment income.

SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION

This fund was established to account for the debt service activities of the San Diego Facilities and Equipment Leasing Corporation (the "Corporation"). The Corporation was established to acquire and lease to the City of San Diego real and personal property to be used in the municipal operations of the City. Lease payments are made by the City from annual appropriations payable out of any source of legally available funds.

SAN DIEGO OPEN SPACE PARK FACILITIES DISTRICT #1

The San Diego Open Space Park Facilities District #1 was established for the purpose of acquiring open space properties to implement the Open Space Element of the City of San Diego General Plan. This fund was established to account for financial resources accumulated for the payment of long-term debt principal and interest. This fund is serviced by City contributions and investment income.

FINANCIAL STATEMENTS

DEBT SERVICE FUNDS

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)**

	City of San Diego	City of San Diego/ MTDB Authority	Convention Center Expansion Financing Authority
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 3,627	\$ ---	\$ ---
Cash With Custodian/Fiscal Agent	986	---	---
Investments at Fair Value	17,648	12,342	7,859
Receivables:			
Special Assessments - Net	492	---	---
Accrued Interest	70	---	---
From Other Funds	---	---	---
From Other Agencies	---	---	---
Prepaid and Reimbursable Items and Deposits	112	---	---
TOTAL ASSETS	\$ 22,935	\$ 12,342	\$ 7,859
LIABILITIES			
Accounts Payable	\$ ---	\$ ---	\$ ---
Matured Bonds, Notes and Interest Payable	2	---	---
Deferred Revenue	369	---	---
Advances From Other Funds	13	---	---
TOTAL LIABILITIES	384	---	---
FUND EQUITY			
Fund Balances:			
Reserved for Debt Service	22,532	12,041	7,836
Unreserved:			
Designated for Unrealized Gains	19	301	23
TOTAL FUND EQUITY	22,551	12,342	7,859
TOTAL LIABILITIES AND FUND EQUITY	\$ 22,935	\$ 12,342	\$ 7,859

Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities and Equipment Leasing Corporation	San Diego Open Space Park Facilities District #1	Totals	
				2001	2000
\$ ---	\$ 239	\$ ---	\$ 632	\$ 4,498	\$ 3,705
---	18,965	---	---	19,951	15,822
65,250	13,660	33,639	---	150,398	137,156
---	---	---	---	492	927
---	2	---	26	98	98
---	200	---	---	200	---
1,144,195	---	385,000	---	1,529,195	1,167,235
---	---	---	1,285	1,397	1,512
\$ 1,209,445	\$ 33,066	\$ 418,639	\$ 1,943	\$ 1,706,229	\$ 1,326,455
\$ ---	\$ 27	\$ ---	\$ ---	\$ 27	\$ ---
---	---	---	---	2	2
1,144,195	---	385,000	---	1,529,564	1,167,731
---	---	---	622	635	634
1,144,195	27	385,000	622	1,530,228	1,168,367
65,250	32,916	32,975	1,257	174,807	157,526
---	123	664	64	1,194	562
65,250	33,039	33,639	1,321	176,001	158,088
\$ 1,209,445	\$ 33,066	\$ 418,639	\$ 1,943	\$ 1,706,229	\$ 1,326,455

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	City of San Diego	City of San Diego/ MTDB Authority	Convention Center Expansion Financing Authority
REVENUES			
Property Taxes	\$ 2,358	\$ ---	\$ ---
Special Assessments	9,749	---	---
Revenue from Use of Money and Property	1,028	775	266
Revenue from Other Agencies	---	---	---
Revenue from Private Sources	---	---	---
TOTAL REVENUES	13,135	775	266
EXPENDITURES			
Current:			
General Government	132	---	---
Cost of Issuance, Bonds and Notes	---	---	---
Debt Service:			
Principal Retirement	6,649	6,070	---
Interest	8,693	3,122	9,681
TOTAL EXPENDITURES	15,474	9,192	9,681
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,339)	(8,417)	(9,415)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	2,249	8,426	9,675
Transfers to Other Funds	(418)	---	---
Proceeds from Special Assessment Bonds	4,575	---	---
Proceeds from Revenue Bonds	---	---	---
Proceeds from Tax Allocation Bonds	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	6,406	8,426	9,675
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	4,067	9	260
Fund Balances at Beginning of Year	18,484	12,333	7,599
FUND BALANCES AT END OF YEAR	\$ 22,551	\$ 12,342	\$ 7,859

Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities and Equipment Leasing Corporation	San Diego Open Space Park Facilities District #1	Totals	
				2001	2000
\$ ---	\$ 14,576	\$ ---	\$ ---	\$ 16,934	\$ 13,997
---	---	---	---	9,749	10,602
5,794	1,632	1,864	326	11,685	10,806
75,863	---	18,675	---	94,538	93,874
---	632	---	---	632	745
81,657	16,840	20,539	326	133,538	130,024
---	---	---	---	132	241
---	2,154	---	1	2,155	360
25,450	7,314	3,265	4,010	52,758	41,727
61,245	11,650	21,924	2,779	119,094	120,891
86,695	21,118	25,189	6,790	174,139	163,219
(5,038)	(4,278)	(4,650)	(6,464)	(40,601)	(33,195)
4,963	3,129	7,588	6,789	42,819	39,755
(425)	(1,431)	---	---	(2,274)	(13,078)
---	---	---	---	4,575	---
---	---	---	---	---	1,931
---	13,394	---	---	13,394	4,090
4,538	15,092	7,588	6,789	58,514	32,698
(500)	10,814	2,938	325	17,913	(497)
65,750	22,225	30,701	996	158,088	158,585
\$ 65,250	\$ 33,039	\$ 33,639	\$ 1,321	\$ 176,001	\$ 158,088

DEBT SERVICE FUNDS
CITY OF SAN DIEGO
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	Budgeted Pre-Arrestment Detention Facility
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ ---
Cash With Custodian/Fiscal Agent	986
Investments at Fair Value	---
Receivables:	
Special Assessments - Net	---
Accrued Interest	---
Prepaid and Reimbursable Items and Deposits	---
TOTAL ASSETS	\$ 986
LIABILITIES	
Matured Bonds, Notes and Interest Payable	\$ ---
Deferred Revenue	---
Advances from Other Funds	---
TOTAL LIABILITIES	---
FUND EQUITY	
Fund Balances:	
Reserved for Debt Service	986
Unreserved:	
Designated for Unrealized Gains	---
TOTAL FUND EQUITY	986
TOTAL LIABILITIES AND FUND EQUITY	\$ 986
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	
Year Ended June 30, 2001	
With Comparative Figures for the Year Ended June 30, 2000	
(In Thousands)	
REVENUES	
Property Taxes	\$ ---
Special Assessments	---
Revenue from Use of Money and Property	101
TOTAL REVENUES	101
EXPENDITURES	
Current:	
General Government	---
Debt Service:	
Principal Retirement	1,000
Interest	232
TOTAL EXPENDITURES	1,232
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,131)
OTHER FINANCING SOURCES (USES)	
Transfers from Other Funds	1,069
Transfers to Other Funds	---
Proceeds from Special Assessment Bonds	---
TOTAL OTHER FINANCING SOURCES (USES)	1,069
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(62)
Fund Balances at Beginning of Year	1,048
FUND BALANCES AT END OF YEAR	\$ 986

Budgeted Public Safety Communications Project	Unbudgeted Other Special Assessments	Totals	
		2001	2000
\$ 1,974	\$ 1,653	\$ 3,627	\$ 3,316
---	---	986	1,048
---	17,648	17,648	13,509
33	459	492	927
21	49	70	72
---	112	112	122
\$ 2,028	\$ 19,921	\$ 22,935	\$ 18,994
\$ ---	\$ 2	\$ 2	\$ 2
---	369	369	496
---	13	13	12
---	384	384	510
2,009	19,537	22,532	18,484
19	---	19	---
2,028	19,537	22,551	18,484
\$ 2,028	\$ 19,921	\$ 22,935	\$ 18,994
\$ 2,358	\$ ---	\$ 2,358	\$ 2,303
---	9,749	9,749	10,602
86	841	1,028	791
2,444	10,590	13,135	13,696
---	132	132	65
1,095	4,554	6,649	4,215
1,266	7,195	8,693	7,802
2,361	11,881	15,474	12,082
83	(1,291)	(2,339)	1,614
---	1,180	2,249	1,179
---	(418)	(418)	(1,499)
---	4,575	4,575	---
---	5,337	6,406	(320)
83	4,046	4,067	1,294
1,945	15,491	18,484	17,190
\$ 2,028	\$ 19,537	\$ 22,551	\$ 18,484

DEBT SERVICE FUNDS
CITY OF SAN DIEGO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2001
(In Thousands)

	Actual	Pre Arraignment Detention Facility Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Revenue from Use of Money and Property	101	---	101	101	---
TOTAL REVENUES	101	---	101	101	---
EXPENDITURES					
Debt Service:					
Principal Retirement	1,000	---	1,000	1,000	---
Interest	232	---	232	232	---
TOTAL EXPENDITURES	1,232	---	1,232	1,232	---
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,131)	---	(1,131)	(1,131)	---
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	1,069	---	1,069	1,069	---
TOTAL OTHER FINANCING SOURCES (USES)	1,069	---	1,069	1,069	---
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (62)	\$ ---	(62)	(62)	---
Reserved for Debt Service at July 1, 2000			1,048	1,048	---
Reserved for Debt Service at June 30, 2001			(986)	(986)	---
FUND BALANCES UNDESIGNATED AT June 30, 2001	\$ ---	\$ ---	\$ ---	\$ ---	---

Public Safety Communications Project					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 2,358 86	\$ --- (19)	\$ 2,358 67	\$ 2,361 ---	\$ (3) 67	\$ 2,358 187	\$ --- (19)	\$ 2,358 168	\$ 2,361 101	\$ (3) 67
2,444	(19)	2,425	2,361	64	2,545	(19)	2,526	2,462	64
1,095	---	1,095	1,095	---	2,095	---	2,095	2,095	---
1,266	---	1,266	1,266	---	1,498	---	1,498	1,498	---
2,361	---	2,361	2,361	---	3,593	---	3,593	3,593	---
83	(19)	64	---	64	(1,048)	(19)	(1,067)	(1,131)	64
---	---	---	---	---	1,069	---	1,069	1,069	---
---	---	---	---	---	1,069	---	1,069	1,069	---
\$ 83	\$ (19)	64	---	64	\$ 21	\$ (19)	2	(62)	64
		1,945	1,945	---			2,993	2,993	---
		(2,009)	(2,009)	---			(2,995)	(2,995)	---
		\$ ---	\$ (64)	\$ 64			\$ ---	\$ (64)	\$ 64

DEBT SERVICE FUNDS
CITY OF SAN DIEGO
OTHER SPECIAL ASSESSMENTS FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	Alta Vista	De La Fuente Phase I	De La Fuente Phase II
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 9	\$ 330	\$ 569
Investments at Fair Value	8	407	543
Receivables:			
Special Assessments - Net	---	51	170
Accrued Interest	---	3	6
Prepaid and Reimbursable Items and Deposits	---	---	---
TOTAL ASSETS	\$ 17	\$ 791	\$ 1,288
LIABILITIES			
Matured Bonds, Notes and Interest Payable	\$ ---	\$ ---	\$ ---
Deferred Revenue	---	44	165
Advances from Other Funds	---	---	---
TOTAL LIABILITIES	---	44	165
FUND EQUITY			
Fund Balances:			
Reserved for Debt Service	17	747	1,123
TOTAL LIABILITIES AND FUND EQUITY	\$ 17	\$ 791	\$ 1,288

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

REVENUES			
Special Assessments	\$ ---	\$ 391	\$ 467
Revenue from Use of Money and Property	---	39	63
TOTAL REVENUES	---	430	530
EXPENDITURES			
Current:			
General Government	---	---	---
Debt Service:			
Principal Retirement	---	225	140
Interest	---	253	349
TOTAL EXPENDITURES	---	478	489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	---	(48)	41
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	---	---	---
Transfers to Other Funds	---	(14)	(18)
Proceeds from Special Assessment Bonds	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	---	(14)	(18)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	---	(62)	23
Fund Balances at Beginning of Year	17	809	1,100
FUND BALANCES AT END OF YEAR	\$ 17	\$ 747	\$ 1,123

Int'l Business Center	Lopez Canyon	Miramar Ranch North	Mira Mesa	Otay Mesa	Otay Mesa Industrial Park
\$ 265	\$ ---	\$ 56	\$ 47	\$ 50	\$ 90
1,333	31	7,945	1	---	82
28	---	117	---	---	7
2	---	12	1	1	1
---	---	---	---	---	---
\$ 1,628	\$ 31	\$ 8,130	\$ 49	\$ 51	\$ 180
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
28	---	55	---	---	7
---	13	---	---	---	---
28	13	55	---	---	7
1,600	18	8,075	49	51	173
\$ 1,628	\$ 31	\$ 8,130	\$ 49	\$ 51	\$ 180
\$ 301	\$ ---	\$ 4,213	\$ ---	\$ ---	\$ 67
84	2	356	3	4	9
385	2	4,569	3	4	76
---	---	---	---	---	---
95	---	1,755	---	---	30
209	---	2,633	---	---	47
304	---	4,388	---	---	77
81	2	181	3	4	(1)
---	---	---	---	---	---
(10)	---	(72)	---	---	(1)
---	---	---	---	---	---
(10)	---	(72)	---	---	(1)
71	2	109	3	4	(2)
1,529	16	7,966	46	47	175
\$ 1,600	\$ 18	\$ 8,075	\$ 49	\$ 51	\$ 173

Continued on next page

**DEBT SERVICE FUNDS
CITY OF SAN DIEGO
OTHER SPECIAL ASSESSMENTS FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)**

	Reassessment District No. 1999-1	Rio Vista	Santaluz
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 48	\$ 3	\$ 6
Investments at Fair Value	3,219	---	4,055
Receivables:			
Special Assessments - Net	83	---	---
Accrued Interest	10	---	10
Prepaid and Reimbursable Items and Deposits	---	---	---
TOTAL ASSETS	\$ 3,360	\$ 3	\$ 4,071
LIABILITIES			
Matured Bonds, Notes and Interest Payable	\$ ---	\$ 2	\$ ---
Deferred Revenue	68	---	---
Advances from Other Funds	---	---	---
TOTAL LIABILITIES	68	2	---
FUND EQUITY			
Fund Balances:			
Reserved for Debt Service	3,292	1	4,071
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,360	\$ 3	\$ 4,071

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)**

REVENUES			
Special Assessments	\$ 4,183	\$ ---	\$ ---
Revenue from Use of Money and Property	118	---	146
TOTAL REVENUES	4,301	---	146
EXPENDITURES			
Current:			
General Government	17	---	115
Debt Service:			
Principal Retirement	2,179	---	---
Interest	2,436	---	1,248
TOTAL EXPENDITURES	4,632	---	1,363
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(331)	---	(1,217)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	420	---	760
Transfers to Other Funds	(251)	---	(47)
Proceeds from Special Assessment Bonds	---	---	4,575
TOTAL OTHER FINANCING SOURCES (USES)	169	---	5,288
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(162)	---	4,071
Fund Balances at Beginning of Year	3,454	1	---
FUND BALANCES AT END OF YEAR	\$ 3,292	\$ 1	\$ 4,071

Sunset Cliffs	Via De La Valle	Totals	
		2001	2000
\$ 25	\$ 155	\$ 1,653	\$ 1,426
24	---	17,648	13,509
---	3	459	892
---	3	49	52
---	112	112	122
\$ 49	\$ 273	\$ 19,921	\$ 16,001
\$ ---	\$ ---	\$ 2	\$ 2
---	2	369	496
---	---	13	12
---	2	384	510
49	271	19,537	15,491
\$ 49	\$ 273	\$ 19,921	\$ 16,001
\$ ---	\$ 127	\$ 9,749	\$ 10,602
2	15	841	639
2	142	10,590	11,241
---	---	132	64
---	130	4,554	2,385
---	20	7,195	6,178
---	150	11,881	8,627
2	(8)	(1,291)	2,614
---	---	1,180	110
---	(5)	(418)	(1,499)
---	---	4,575	---
---	(5)	5,337	(1,389)
2	(13)	4,046	1,225
47	284	15,491	14,266
\$ 49	\$ 271	\$ 19,537	\$ 15,491



CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES (OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS).

CITY OF SAN DIEGO

CAPITAL OUTLAY FUND

This fund was established per Section 77 of the City Charter to account for the acquisition, construction and completion of permanent public improvements and real property. Capital Outlay Fund revenues are derived from the sale of City-owned real property supplemented by sales tax revenue.

OTHER CONSTRUCTION FUND

This fund was established to account for a variety of capital projects such as park and street improvements and construction of public facilities in new development areas. Revenues in this fund are derived from such sources as contributions from developers, grants from Federal, State and other governmental agencies, special assessments, special taxes, fees, and interest derived therefrom.

CONVENTION CENTER EXPANSION FINANCING AUTHORITY

This fund was established to account for the capital improvement activities of the Convention Center Expansion Financing Authority (the "Authority"). The Authority, created by the City of San Diego and the San Diego Unified Port District, facilitates the financing, acquisition and construction of an expansion to the existing convention center. Revenues are derived from the issuance of bonds, revenue from other agencies and interest earnings on investments.

PUBLIC FACILITIES FINANCING AUTHORITY

This fund was established to account for the capital improvement acquisition and construction activities of the Public Facilities Financing Authority (the "Authority") Joint Powers Agency. The Authority, created by the City of San Diego and the Redevelopment Agency of the City of San Diego, facilitates the financing and construction of public capital improvements of the City or the Redevelopment Agency. Revenues are derived from the issuance of bonds and interest earnings on investments.

CAPITAL PROJECTS FUNDS (Continued)

REDEVELOPMENT AGENCY

This fund was established to account for the capital improvement activities of the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency was established to provide a method for revitalizing deteriorated and blighted areas of the City of San Diego. Funds are derived from the City of San Diego, from the issuance of bonds for specific redevelopment projects, sale of real estate and investment income.

SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION

This fund was established to account for the capital improvement activities of the San Diego Facilities and Equipment Leasing Corporation (the "Corporation"). The Corporation was established as a non-profit organization to acquire and lease to the City of San Diego real and personal property to be used in the municipal operations of the City. This fund accounts for proceeds from the issuance of Certificates of Participation used to finance construction projects in Balboa and Mission Bay parks.

FINANCIAL STATEMENTS

CAPITAL PROJECT FUNDS

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)**

	City of San Diego	Convention Center Expansion Financing Authority
ASSETS		
Cash or Equity in Pooled Cash and Investments	\$ 219,595	\$ ---
Cash With Custodian/Fiscal Agent	---	---
Investments at Fair Value	38,362	16,147
Receivables:		
Accounts - Net	7	---
Notes	15	---
Accrued Interest	2,716	---
Grants	24,690	---
From Other Funds	10,300	---
From Other Agencies	48	---
Advances to Other Funds	---	---
Land Held for Resale	---	---
TOTAL ASSETS	\$ 295,733	\$ 16,147
LIABILITIES		
Accounts Payable	\$ 563	\$ 2,650
Due to Other Funds	9,600	758
Due to Other Agencies	149	---
Deferred Revenue	3,371	---
Sundry Trust Liabilities	---	---
TOTAL LIABILITIES	13,683	3,408
FUND EQUITY		
Fund Balances:		
Reserved for Land Held for Resale	---	---
Reserved for Encumbrances	38,161	5,647
Unreserved:		
Designated for Unrealized Gains	2,020	---
Designated for Subsequent Years' Expenditures	126,142	1,511
Undesignated	115,727	5,581
TOTAL FUND EQUITY	282,050	12,739
TOTAL LIABILITIES AND FUND EQUITY	\$ 295,733	\$ 16,147

Public Facilities Financing Authority		Redevelopment Agency	San Diego Facilities And Equipment Leasing Corporation	Totals	
				2001	2000
\$	---	\$ 29,809	\$ 102,945	\$ 352,349	\$ 529,798
	---	---	3	3	3
	---	---	13	54,522	86,014
	---	---	---	7	32
	---	12,562	---	12,577	13,183
	---	399	1,769	4,884	5,824
	---	---	---	24,690	21,715
	---	29,567	---	39,867	31,900
	---	---	---	48	193
	---	609	---	609	609
	---	59,092	---	59,092	71,822
\$	---	\$ 132,038	\$ 104,730	\$ 548,648	\$ 761,093
\$	---	\$ 1,126	\$ ---	\$ 4,339	\$ 6,806
	---	---	17,333	27,691	20,029
	---	---	---	149	114
	---	12,646	---	16,017	15,016
	---	3,523	---	3,523	5,262
	---	17,295	17,333	51,719	47,227
	---	59,092	---	59,092	71,822
	---	11,255	62,211	117,274	284,522
	---	248	---	2,268	1
	---	40,239	25,186	193,078	286,056
	---	3,909	---	125,217	71,465
	---	114,743	87,397	496,929	713,866
\$	---	\$ 132,038	\$ 104,730	\$ 548,648	\$ 761,093

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for Year Ended June 30, 2000
(In Thousands)

	City of San Diego	Convention Center Expansion Financing Authority
REVENUES		
Property Taxes	\$ ---	\$ ---
Sales Taxes	41,647	---
Licenses and Permits	8,179	---
Fines, Forfeitures and Penalties	1	---
Revenue from Use of Money and Property	17,517	2,626
Revenue from Federal Agencies	3,195	---
Revenue from Other Agencies	10,234	---
Revenue from Private Sources	49,597	---
Other Revenue	4,404	---
TOTAL REVENUES	134,774	2,626
EXPENDITURES		
Current:		
General Government	457	---
Public Safety	25	---
Parks, Recreation and Culture	934	---
Public Works	279	---
Housing and Community Development	61	---
Cost of Issuance, Bonds and Notes	1,899	---
Capital Projects	119,167	67,724
TOTAL EXPENDITURES	122,822	67,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,952	(65,098)
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary Funds	1,400	---
Transfers from Other Funds	27,242	754
Transfers to Proprietary Funds	(584)	---
Transfers to Other Funds	(18,342)	---
Proceeds from Loans Payable	---	---
Proceeds from Special Assessment Bonds	56,264	---
TOTAL OTHER FINANCING SOURCES (USES)	65,980	754
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	77,932	(64,344)
Fund Balances at Beginning of Year	204,118	77,083
FUND BALANCES AT END OF YEAR	\$ 282,050	\$ 12,739

Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities And Equipment Leasing Corporation	Totals	
			2001	2000
\$ ---	\$ 6,249	\$ ---	\$ 6,249	\$ 5,721
---	---	---	41,647	25,108
---	---	---	8,179	3,827
---	---	---	1	---
4,282	(9,154)	7,968	23,239	45,153
---	216	---	3,411	6,183
---	113	---	10,347	23,830
---	6,687	---	56,284	65,141
---	1,416	---	5,820	4,323
4,282	5,527	7,968	155,177	179,286
---	7,863	---	8,320	7,364
---	---	---	25	1
---	338	---	1,272	504
---	---	---	279	2,624
---	---	---	61	---
---	---	---	1,899	---
137,247	25,174	100,123	449,435	396,715
137,247	33,375	100,123	461,291	407,208
(132,965)	(27,848)	(92,155)	(306,114)	(227,922)
---	---	---	1,400	---
---	34,582	---	62,578	51,086
---	(29)	---	(613)	(584)
---	(11,056)	(1,276)	(30,674)	(19,725)
---	222	---	222	3,711
---	---	---	56,264	---
---	23,719	(1,276)	89,177	34,488
(132,965)	(4,129)	(93,431)	(216,937)	(193,434)
132,965	118,872	180,828	713,866	907,300
\$ ---	\$ 114,743	\$ 87,397	\$ 496,929	\$ 713,866

**CAPITAL PROJECTS FUNDS
CITY OF SAN DIEGO
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)**

	Budgeted	Unbudgeted	Totals	
	Capital Outlay	Other Construction	2001	2000
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 4,373	\$ 215,222	\$ 219,595	\$ 187,761
Investments at Fair Value	---	38,362	38,362	3,100
Receivables:				
Accounts - Net	---	7	7	7
Notes	---	15	15	15
Accrued Interest	44	2,672	2,716	2,480
Grants	18,949	5,741	24,690	21,715
From Other Funds	700	9,600	10,300	---
From Other Agencies	---	48	48	193
TOTAL ASSETS	\$ 24,066	\$ 271,667	\$ 295,733	\$ 215,271
LIABILITIES				
Accounts Payable	\$ 19	\$ 544	\$ 563	\$ 275
Due To Other Funds	9,600	---	9,600	9,000
Due To Other Agencies	63	86	149	114
Deferred Revenue	2,457	914	3,371	1,764
TOTAL LIABILITIES	12,139	1,544	13,683	11,153
FUND EQUITY				
Fund Balances:				
Reserved for Encumbrances	1,052	37,109	38,161	32,792
Unreserved:				
Designated for Unrealized Gains	12	2,008	2,020	---
Designated for Subsequent Years' Expenditures	3,724	122,418	126,142	102,517
Undesignated	7,139	108,588	115,727	68,809
TOTAL FUND EQUITY	11,927	270,123	282,050	204,118
TOTAL LIABILITIES AND FUND EQUITY	\$ 24,066	\$ 271,667	\$ 295,733	\$ 215,271

CAPITAL PROJECTS FUNDS
CITY OF SAN DIEGO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	Budgeted		Unbudgeted		Totals	
	Capital Outlay		Other Construction		2001	2000
REVENUES						
Sales Taxes	\$ 5,558		\$ 36,089		\$ 41,647	\$ 25,108
Licenses and Permits	---		8,179		8,179	3,827
Fines, Forfeitures and Penalties	---		1		1	---
Revenue from Use of Money and Property	509		17,008		17,517	10,494
Revenue from Federal Agencies	3,195		---		3,195	5,759
Revenue from Other Agencies	9,974		260		10,234	23,537
Revenue from Private Sources	3		49,594		49,597	50,919
Other Revenue	4,183		221		4,404	3,990
TOTAL REVENUES	23,422		111,352		134,774	123,634
EXPENDITURES						
Current:						
General Government	256		201		457	415
Public Safety	---		25		25	1
Parks, Recreation and Culture	218		716		934	504
Public Works	---		279		279	2,624
Housing and Community Development	---		61		61	---
Cost of Issuance, Bonds and Notes	---		1,899		1,899	---
Capital Projects	14,386		104,781		119,167	98,833
TOTAL EXPENDITURES	14,860		107,962		122,822	102,377
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,562		3,390		11,952	21,257
OTHER FINANCING SOURCES (USES)						
Transfers from Proprietary Funds	---		1,400		1,400	---
Transfers from Other Funds	8,540		18,702		27,242	16,701
Transfers to Proprietary Funds	---		(584)		(584)	(584)
Transfers to Other Funds	(13,452)		(4,890)		(18,342)	(12,212)
Proceeds from Special Assessment Bonds	---		56,264		56,264	---
TOTAL OTHER FINANCING SOURCES (USES)	(4,912)		70,892		65,980	3,905
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	3,650		74,282		77,932	25,162
Fund Balances at Beginning of Year	8,277		195,841		204,118	178,956
FUND BALANCES AT END OF YEAR	\$ 11,927		\$ 270,123		\$ 282,050	\$ 204,118

CAPITAL PROJECTS FUNDS
CITY OF SAN DIEGO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED June 30, 2001
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Capital Outlay Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Sales Taxes.....	\$ 5,558	\$ ---	\$ 5,558	\$ 1,108	\$ 4,450
Revenue from Use of Money and Property	509	(12)	497	21	476
Revenue from Federal Agencies	3,195	---	3,195	11,453	(8,258)
Revenue from Other Agencies.....	9,974	---	9,974	16,589	(6,615)
Revenue from Private Sources.....	3	---	3	3	---
Other Revenue.....	4,183	---	4,183	3,187	996
TOTAL REVENUES	23,422	(12)	23,410	32,361	(8,951)
EXPENDITURES					
General Government.....	256	---	256	2,445	2,189
Parks, Recreation and Culture	218	---	218	2,202	1,984
Capital Projects	14,386	1,052	15,438	29,752	14,314
TOTAL EXPENDITURES	14,860	1,052	15,912	34,399	18,487
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,562	(1,064)	7,498	(2,038)	9,536
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	8,540	---	8,540	8,540	---
Transfers to Other Funds	(13,452)	---	(13,452)	(13,452)	---
TOTAL OTHER FINANCING SOURCES (USES)	(4,912)	---	(4,912)	(4,912)	---
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 3,650	\$ (1,064)	2,586	(6,950)	9,536
Fund Balance Undesignated at July 1, 2000			3,694	3,694	---
Reserved for Encumbrances at July 1, 2000			2,796	2,796	---
Designated for Subsequent Years' Expenditures at July 1, 2000			1,787	1,787	---
Designated for Subsequent Years' Expenditures at June 30, 2001			(3,724)	---	(3,724)
FUND BALANCE UNDESIGNATED AT June 30, 2001	\$	7,139	\$	1,327	\$ 5,812

ENTERPRISE FUNDS

ENTERPRISE FUNDS ARE USED TO ACCOUNT FOR OPERATIONS (a) THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES - WHERE THE INTENT OF THE GOVERNING BODY IS THAT THE COSTS (EXPENSES, INCLUDING DEPRECIATION) OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES; OR (b) WHERE THE GOVERNING BODY HAS DECIDED THAT PERIODIC DETERMINATION OF REVENUES EARNED, EXPENSES INCURRED, AND/OR NET INCOME IS APPROPRIATE FOR CAPITAL MAINTENANCE, PUBLIC POLICY, MANAGEMENT CONTROL, ACCOUNTABILITY OR OTHER PURPOSES. THESE FUNDS USE FULL ACCRUAL ACCOUNTING.

CITY OF SAN DIEGO

AIRPORTS FUND

This fund was established to account for the operation, maintenance and development of both City-owned airports--Montgomery and Brown Fields. Airports Fund revenues are derived from such sources as rent/lease revenue, usage fees, earnings on investments and aid from other governmental agencies.

THE CENTRE FUND

This fund accounts for the activities of the Centre for Organizational Effectiveness ("the Centre"). The Centre was established to develop, market, and distribute organization development/management training products and services. Revenues are derived from fees for products and consulting services.

CITY STORE FUND

This fund was established to account for activities of the City's entrepreneurial program. This program operates retail store outlets for the purpose of selling surplus city materials and other items promoting the City of San Diego.

DEVELOPMENT SERVICES

This fund was established to account for the operation of the Development Services Department. Plan check, permit and inspection service fees, and interest derived therefrom are the main sources of revenue.

ENVIRONMENTAL SERVICES FUND

This fund was established to account for the activities of the Environmental Services Department. This department operates the City-owned landfill and administers litter control and collection programs. Revenues are derived from landfill disposal user fees, litter control fees, and interest derived therefrom.

ENTERPRISE FUNDS (Continued)

CITY OF SAN DIEGO (Continued)

GOLF COURSE FUND

This fund was established to operate, maintain, and improve physical conditions and initiate capital improvement programs for Torrey Pines and Balboa golf courses. Revenues are derived from green fees and leases.

RECYCLING FUND

This fund was established to account for the planning, implementation, operation and management of City recycling and waste diversion programs. Revenues are derived from the Recycling Fee on all waste generated in the City or disposed of at the City landfill.

SEWER UTILITY FUND

This fund was established to account for the operation, maintenance, and development of the City's sewer systems. User fees, aid from other governmental agencies and interest derived therefrom are the main sources of revenue.

WATER UTILITY FUND

This fund was established per Section 53 of the City Charter to account for operating and maintenance costs; replacements, betterments, and expansion of facilities; and payments necessary for obtaining water from the Colorado River. Water sales, aid from other governmental agencies, and interest derived therefrom are the main sources of revenue.

SAN DIEGO DATA PROCESSING CORPORATION

This fund accounts for the operations of the San Diego Data Processing Corporation, Inc. ("SDDPC"). SDDPC was formed for the purpose of providing data processing services to public agencies, primarily the City of San Diego, which is the sole member of the Corporation. The Corporation also provides telecommunication services to the City. Rates are charged for the various services provided as per operating agreements and are subject to change each year.

FINANCIAL STATEMENTS

ENTERPRISE FUNDS

**ENTERPRISE FUNDS
COMBINING BALANCE SHEET**
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	City of San Diego	San Diego Data Processing Corporation	Totals	
			2001	2000
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 691,957	\$ 22	\$ 691,979	\$ 589,956
Cash with Custodian/Fiscal Agent	64	---	64	52
Receivables:				
Accounts - Net	76,443	1,656	78,099	94,238
Special Assessments - Net	15	---	15	13
Accrued Interest	9,478	---	9,478	8,163
Grants	11,620	---	11,620	14,999
From Other Funds	19,223	---	19,223	10,911
Advances to Other Funds	37,060	---	37,060	33,899
Inventories of Water in Storage	12,799	---	12,799	9,961
Inventories	238	879	1,117	1,092
Prepaid and Reimbursable Items and Deposits	134,920	1,550	136,470	361,080
Restricted Assets:				
Cash or Equity in Pooled Cash and Investments -				
Interest and Redemption Funds	20,696	122	20,818	20,464
Cash with Custodian/Fiscal Agent	47	---	47	47
Deferred Charges	29,934	---	29,934	31,137
Fixed Assets - Net	3,438,002	19,463	3,457,465	3,222,223
TOTAL ASSETS	\$ 4,482,496	\$ 23,692	\$ 4,506,188	\$ 4,398,235
LIABILITIES				
Accounts Payable	\$ 48,202	\$ 1,938	\$ 50,140	\$ 55,778
Accrued Wages and Benefits	21,558	2,439	23,997	21,737
Other Accrued Liabilities	---	3,186	3,186	2,901
Liability Claims	7,045	---	7,045	5,183
Matured Bonds, Notes and Interest Payable	47	---	47	47
Interest Accrued on Long-Term Debt	15,310	---	15,310	15,429
Long-Term Debt Due Within One Year	29,929	---	29,929	22,438
Due to Other Funds	441	---	441	550
Due to Other Agencies	2,404	---	2,404	2,401
Deferred Revenue	43,086	---	43,086	23,223
Deposits/Advances from Others	4,567	---	4,567	4,080
Estimated Landfill Closure and Postclosure Care	9,920	---	9,920	9,106
Capital Lease Obligations	6,929	10	6,939	5,632
Net Pension Liabilities	4,433	---	4,433	3,227
Contracts and Notes Payable	1,493,687	4,169	1,497,856	1,484,115
TOTAL LIABILITIES	1,687,558	11,742	1,699,300	1,655,847
FUND EQUITY				
Contributed Capital	1,630,032	---	1,630,032	1,561,352
Retained Earnings:				
Unreserved	1,164,906	11,950	1,176,856	1,181,036
TOTAL FUND EQUITY	2,794,938	11,950	2,806,888	2,742,388
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,482,496	\$ 23,692	\$ 4,506,188	\$ 4,398,235

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	City of San Diego	San Diego Data Processing Corporation	Totals 2001	2000
OPERATING REVENUES				
Sale of Water	\$ 195,706	\$ ---	\$ 195,706	\$ 200,793
Charges for Services	259,626	55,752	315,378	318,329
Contributions	4	---	4	2
Revenue from Use of Property	3,442	---	3,442	3,824
Usage Fees	53,518	---	53,518	50,895
Other	18,182	1,493	19,675	18,282
TOTAL OPERATING REVENUES	530,478	57,245	587,723	592,125
OPERATING EXPENSES				
Maintenance and Operations	286,346	---	286,346	250,726
Cost of Materials Issued	319	---	319	355
Cost of Water Purchased	103,321	---	103,321	92,281
Taxes	1,061	6,742	7,803	7,294
Administration	79,943	43,815	123,758	109,435
Depreciation and Amortization	52,967	6,113	59,080	58,988
TOTAL OPERATING EXPENSES	523,957	56,670	580,627	519,079
OPERATING INCOME	6,521	575	7,096	73,046
NONOPERATING REVENUES (EXPENSES)				
Earnings on Investments	54,315	73	54,388	32,262
Federal Grant Assistance	398	---	398	19
Other Agency Grant Assistance	831	---	831	2,201
Debt Service Interest Payments	(72,411)	(123)	(72,534)	(72,669)
Cost of Issuance of Long - Term Debt	(1,204)	---	(1,204)	(1,204)
Gain (Loss) on Sale/Retirement of Fixed Assets	(2,260)	---	(2,260)	1,753
Other	13,687	---	13,687	27,901
TOTAL NONOPERATING REVENUES (EXPENSES)	(6,644)	(50)	(6,694)	(9,737)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(123)	525	402	63,309
Operating Transfers In	284	---	284	---
Transfers from Governmental Funds	613	---	613	584
Operating Transfers Out	(2,349)	---	(2,349)	(2,415)
Transfers to Governmental Funds	(2,255)	(500)	(2,755)	(1,721)
NET INCOME (LOSS)	(3,830)	25	(3,805)	59,757
Retained Earnings at Beginning of Year as Restated	1,169,111	11,925	1,181,036	1,121,279
Residual Equity Transfers from (to) Other Funds.....	(375)	---	(375)	---
RETAINED EARNINGS AT END OF YEAR	\$ 1,164,906	\$ 11,950	\$ 1,176,856	\$ 1,181,036

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	City of San Diego
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 6,521
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Depreciation and Amortization	52,967
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables:	
Accounts and Special Assessments - Net	15,123
From Other Funds	(11,175)
(Increase) Decrease in Inventories	(2,825)
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	92,256
Increase (Decrease) in Accounts Payable	(4,380)
Increase (Decrease) in Accrued Wages and Benefits	2,004
Increase (Decrease) in Other Accrued Liabilities	---
Increase (Decrease) in Liability Claims	1,862
Increase (Decrease) in Due to Other Funds	(1,449)
Increase (Decrease) in Due to Other Agencies	3
Increase (Decrease) in Deferred Revenue	19,862
Increase (Decrease) in Net Pension Liabilities	1,207
Increase (Decrease) in Estimated Landfill Closure and Postclosure Care	814
Other Nonoperating Revenue (Expense)	13,687
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	186,477
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Residual Equity Transfers To Other Funds	(375)
Operating Transfers In	284
Transfers from Governmental Funds	613
Operating Transfers Out	(2,349)
Transfers to Governmental Funds	(2,255)
Operating Grants Received	4,609
Proceeds from Advances and Deposits	487
Payments for Advances and Deposits	(3,162)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(2,148)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Issuance of Long-Term Debt	182,417
Proceeds from Contributed Capital	38,059
Acquisition of Fixed Assets	(258,183)
Proceeds from the Sale of Fixed Assets	346
Principal Payment on Capital Lease	(1,325)
Principal Paid on Long-Term Debt	(22,675)
Interest Paid on Long-Term Debt	(72,530)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(133,891)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Dividends Received on Investments	53,000
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	53,000
Net Increase (Decrease) in Cash And Cash Equivalents	103,438
Cash and Cash Equivalents at Beginning of Year	609,326
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 712,764

San Diego Data Processing Corporation	Totals	
	2001	2000
\$ 575	\$ 7,096	\$ 73,046
6,113	59,080	58,988
1,014	16,137	(29,722)
---	(11,175)	(5,166)
(39)	(2,864)	(3,212)
(628)	91,628	44,323
(1,255)	(5,635)	19,387
257	2,261	2,506
285	285	458
---	1,862	(4,237)
---	(1,449)	---
---	3	371
---	19,862	3,456
---	1,207	1,209
---	814	867
---	13,687	27,901
6,322	192,799	190,175
---	(375)	---
---	284	---
---	613	584
---	(2,349)	(2,415)
(500)	(2,755)	(1,721)
---	4,609	8,185
---	487	3,342
---	(3,162)	(2,937)
(500)	(2,648)	5,038
3,000	185,417	138,241
---	38,059	65,170
(7,220)	(265,403)	(299,758)
---	346	275
(144)	(1,469)	(866)
(2,457)	(25,132)	(24,211)
(123)	(72,653)	(75,922)
(6,944)	(140,835)	(197,071)
73	53,073	29,424
73	53,073	29,424
(1,049)	102,389	27,566
1,193	610,519	582,953
\$ 144	\$ 712,908	\$ 610,519

ENTERPRISE FUNDS
CITY OF SAN DIEGO
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	Airports	The Centre	City Store
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 4,443	\$ ---	\$ 177
Cash with Custodian/Fiscal Agent	---	---	64
Receivables:			
Accounts - Net	1,145	---	---
Special Assessments - Net	---	---	---
Accrued Interest	58	---	2
Grants	238	---	---
From Other Funds	---	---	---
Advances to Other Funds	201	---	---
Inventories of Water in Storage	---	---	---
Inventories	---	---	35
Prepaid and Reimbursable Items and Deposits	1	---	5
Restricted Assets:			
Cash or Equity in Pooled Cash and			
Investments - Interest and Redemption Funds	---	---	---
Cash with Custodian/Fiscal Agent	---	---	---
Deferred Charges	---	---	---
Fixed Assets - Net	9,486	---	15
TOTAL ASSETS	\$ 15,572	\$ ---	\$ 298
LIABILITIES			
Accounts Payable	\$ 24	\$ ---	\$ 22
Accrued Wages and Benefits	150	---	---
Liability Claims	---	---	---
Matured Bonds, Notes and Interest Payable	---	---	---
Interest Accrued on Long-Term Debt	---	---	---
Long-Term Debt Due Within One Year	---	---	---
Due to Other Funds	---	---	---
Due to Other Agencies	---	---	---
Deferred Revenue	---	---	---
Deposits/Advances from Others	---	---	---
Estimated Landfill Closure and Postclosure Care	---	---	---
Capital Lease Obligations	---	---	---
Net Pension Liabilities	37	---	---
Contracts and Notes Payable	---	---	---
TOTAL LIABILITIES	211	---	22
FUND EQUITY			
Contributed Capital	11,094	---	---
Retained Earnings:			
Unreserved	4,267	---	276
TOTAL FUND EQUITY	15,361	---	276
TOTAL LIABILITIES AND FUND EQUITY	\$ 15,572	\$ ---	\$ 298

Development Services	Environmental Services	Golf Course	Recycling	Sewer Utility	Water Utility	Totals	
						2001	2000
\$ 8,969	\$ 25,180	\$ 5,939	\$ 11,037	\$ 404,038	\$ 232,174	\$ 691,957	\$ 588,878
---	---	---	---	---	---	64	52
9	1,535	104	2,408	34,126	37,116	76,443	91,568
15	---	---	---	---	---	15	13
42	623	83	161	5,469	3,040	9,478	8,163
---	---	---	---	11,332	50	11,620	14,999
1,449	441	---	---	---	17,333	19,223	10,911
108	4,538	762	3,535	13,902	14,014	37,060	33,899
---	---	---	---	---	12,799	12,799	9,961
---	---	---	---	---	203	238	251
---	---	---	---	20,592	114,322	134,920	360,159
---	20,696	---	---	---	---	20,696	20,349
---	---	---	---	47	---	47	47
---	---	---	---	21,655	8,279	29,934	31,137
3,048	97,446	7,885	7,760	2,361,659	950,703	3,438,002	3,203,866
\$ 13,640	\$ 150,459	\$ 14,773	\$ 24,901	\$ 2,872,820	\$ 1,390,033	\$ 4,482,496	\$ 4,374,253
\$ 86	\$ 333	\$ 101	\$ 37	\$ 17,965	\$ 29,634	\$ 48,202	\$ 52,584
3,815	1,668	396	779	8,688	6,062	21,558	19,555
---	---	---	---	5,984	1,061	7,045	5,183
---	---	---	---	47	---	47	47
---	---	---	---	6,751	8,559	15,310	15,429
---	---	---	---	23,045	6,884	29,929	22,381
441	---	---	---	---	---	441	550
---	---	1	---	2,390	13	2,404	2,401
7,731	128	---	36	27,437	7,754	43,086	23,223
---	38	---	---	---	4,529	4,567	4,080
---	9,920	---	---	---	---	9,920	9,106
---	358	---	6,571	---	---	6,929	5,478
841	403	93	87	1,664	1,308	4,433	3,227
---	---	---	---	1,115,467	378,220	1,493,687	1,480,546
12,914	12,848	591	7,510	1,209,438	444,024	1,687,558	1,643,790
371	243	172	327	958,096	659,729	1,630,032	1,561,352
355	137,368	14,010	17,064	705,286	286,280	1,164,906	1,169,111
726	137,611	14,182	17,391	1,663,382	946,009	2,794,938	2,730,463
\$ 13,640	\$ 150,459	\$ 14,773	\$ 24,901	\$ 2,872,820	\$ 1,390,033	\$ 4,482,496	\$ 4,374,253

ENTERPRISE FUNDS
CITY OF SAN DIEGO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	Airports	The Centre	City Store
OPERATING REVENUES			
Sale of Water	\$ ---	\$ ---	\$ ---
Charges for Services	---	---	749
Contributions	---	---	4
Revenue from Use of Property	---	---	---
Usage Fees	3,312	---	---
Other	130	---	---
TOTAL OPERATING REVENUES	3,442	---	753
OPERATING EXPENSES			
Maintenance and Operations	1,795	---	304
Cost of Materials Issued	---	---	319
Cost of Water Purchased	---	---	---
Taxes	---	---	---
Administration	446	---	82
Depreciation and Amortization	476	---	1
TOTAL OPERATING EXPENSES	2,717	---	706
OPERATING INCOME (LOSS)	725	---	47
NONOPERATING REVENUES (EXPENSES)			
Earnings on Investments	319	---	12
Federal Grant Assistance	118	---	---
Other Agency Grant Assistance	7	---	---
Debt Service Interest Payments	---	---	---
Cost of Insurance of Long - Term Debt	---	---	---
Gain (Loss) on Sale/Retirement of Fixed Assets	---	---	---
Other	---	---	---
TOTAL NONOPERATING REVENUES (EXPENSES)	444	---	12
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,169	---	59
Operating Transfers In	1	---	---
Transfers from Governmental Funds	---	---	---
Operating Transfers Out	(8)	---	---
Transfers to Governmental Funds	---	---	---
NET INCOME (LOSS)	1,162	---	59
Retained Earnings at Beginning of Year as Restated	3,105	375	217
Residual Equity Transfers from (to) Other Funds	---	(375)	---
RETAINED EARNINGS AT END OF YEAR	\$ 4,267	\$ ---	\$ 276

Development Services	Environmental Services	Golf Course	Recycling	Sewer Utility	Water Utility	Totals	
						2001	2000
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 195,706	\$ 195,706	\$ 200,793
36,368	891	7,259	1,564	212,385	410	259,626	265,356
---	---	---	---	---	---	4	2
---	---	---	---	---	3,442	3,442	3,824
---	32,857	811	15,266	---	1,272	53,518	50,895
2,529	185	13	2,724	2,046	10,555	18,182	16,699
38,897	33,933	8,083	19,554	214,431	211,385	530,478	537,569
41,752	24,138	4,487	12,108	147,693	54,069	286,346	250,726
---	---	---	---	---	---	319	355
---	---	---	---	---	103,321	103,321	92,281
---	---	---	---	---	1,061	1,061	1,001
537	4,362	628	634	20,333	52,921	79,943	67,644
856	494	210	625	37,776	12,529	52,967	52,922
43,145	28,994	5,325	13,367	205,802	223,901	523,957	464,929
(4,248)	4,939	2,758	6,187	8,629	(12,516)	6,521	72,640
1,365	3,684	472	876	29,059	18,528	54,315	32,042
---	---	---	---	157	123	398	19
---	---	---	---	42	782	831	2,201
(31)	---	(3)	---	(53,709)	(18,668)	(72,411)	(72,367)
---	---	---	---	(897)	(307)	(1,204)	(1,204)
(119)	(18)	(55)	121	(2,937)	748	(2,260)	1,739
---	434	---	---	5,258	7,995	13,687	27,901
1,215	4,100	414	997	(23,027)	9,201	(6,644)	(9,669)
(3,033)	9,039	3,172	7,184	(14,398)	(3,315)	(123)	62,971
72	13	1	25	105	67	284	---
584	---	---	---	29	---	613	584
(132)	(172)	(27)	(24)	(773)	(1,213)	(2,349)	(2,415)
(467)	(59)	(1,252)	(20)	(187)	(270)	(2,255)	(1,221)
(2,976)	8,821	1,894	7,165	(15,224)	(4,731)	(3,830)	59,919
3,331	128,547	12,116	9,899	720,510	291,011	1,169,111	1,109,192
---	---	---	---	---	---	(375)	---
\$ 355	\$ 137,368	\$ 14,010	\$ 17,064	\$ 705,286	\$ 286,280	\$ 1,164,906	\$ 1,169,111

ENTERPRISE FUNDS
CITY OF SAN DIEGO
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	Airports	The Centre	City Store
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 725	\$ ---	\$ 47
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation and Amortization	476	---	1
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables:			
Accounts and Special Assessments - Net	(300)	210	---
From Other Funds	---	---	---
(Increase) Decrease in Inventories	---	---	---
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	---	---	---
Increase (Decrease) in Accounts Payable	(47)	(106)	(8)
Increase (Decrease) in Accrued Wages and Benefits	(36)	(51)	---
Increase (Decrease) in Liability Claims	---	---	---
Increase (Decrease) in Due to Other Funds	---	---	---
Increase (Decrease) in Due to Other Agencies	---	---	---
Increase (Decrease) in Deferred Revenue	---	---	---
Increase (Decrease) in Net Pension Liabilities	10	(8)	---
Increase (Decrease) in Estimated Landfill Closure and Postclosure Care	---	---	---
Other Nonoperating Revenue (Expense)	---	---	---
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	828	45	40
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Residual Equity Transfers To Other Funds	---	(375)	---
Operating Transfers In	1	---	---
Transfers from Governmental Funds	---	---	---
Operating Transfers Out	(8)	---	---
Transfers to Governmental Funds	---	---	---
Operating Grants Received	20	---	---
Proceeds from Advances and Deposits	---	---	---
Payments for Advances and Deposits	(11)	---	---
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	2	(375)	---
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the Issuance of Long - Term Debt	---	---	---
Proceeds from Contributed Capital	126	---	---
Acquisition of Fixed Assets	(272)	---	---
Proceeds from the Sale of Fixed Assets	---	5	---
Principal Payment on Capital Lease	---	---	---
Principal Paid on Long-Term Debt	---	---	---
Interest Paid on Long-Term Debt	---	---	---
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(146)	5	---
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	307	5	13
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	307	5	13
Net Increase (Decrease) in Cash and Cash Equivalents	991	(320)	53
Cash and Cash Equivalents at Beginning of Year	3,452	320	188
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,443	\$ ---	\$ 241

Development Services	Environmental Services	Golf Course	Recycling	Sewer Utility	Water Utility	Totals	
						2001	2000
\$ (4,248)	\$ 4,939	\$ 2,758	\$ 6,187	\$ 8,629	\$ (12,516)	\$ 6,521	\$ 72,640
856	494	210	625	37,776	12,529	52,967	52,922
20	(182)	(91)	(2,337)	17,829	(26)	15,123	(33,217)
---	110	---	---	---	(11,285)	(11,175)	(5,166)
---	---	---	---	---	(2,825)	(2,825)	(3,315)
---	---	---	---	---	92,256	92,256	44,147
(50)	(674)	(112)	(60)	(614)	(2,709)	(4,380)	19,236
416	135	12	126	597	805	2,004	2,452
---	---	---	---	4,990	(3,128)	1,862	(4,237)
(1,449)	---	---	---	---	---	(1,449)	---
---	---	---	---	---	3	3	371
1,580	88	---	1	16,525	1,668	19,862	3,456
249	88	25	46	436	361	1,207	1,209
---	814	---	---	---	---	814	867
---	434	---	---	5,258	7,995	13,687	27,901
(2,626)	6,246	2,802	4,588	91,426	83,128	186,477	179,266
---	---	---	---	---	---	(375)	---
72	13	1	25	105	67	284	---
584	---	---	---	29	---	613	584
(132)	(172)	(27)	(24)	(773)	(1,213)	(2,349)	(2,415)
(467)	(59)	(1,252)	(20)	(187)	(270)	(2,255)	(1,221)
---	---	---	---	2,591	1,998	4,609	8,185
---	25	---	---	---	462	487	3,337
(1)	(466)	(119)	(471)	(623)	(1,471)	(3,162)	(2,937)
56	(659)	(1,397)	(490)	1,142	(427)	(2,148)	5,533
---	---	---	1,631	180,786	---	182,417	136,241
---	---	150	---	17,543	20,240	38,059	65,170
(264)	(8,628)	(352)	(1,788)	(135,200)	(111,679)	(258,183)	(294,483)
---	---	---	105	---	236	346	259
(110)	(75)	(98)	(910)	---	(132)	(1,325)	(734)
---	---	---	---	(22,675)	---	(22,675)	(18,300)
(31)	---	(3)	---	(53,821)	(18,675)	(72,530)	(75,620)
(405)	(8,703)	(303)	(962)	(13,367)	(110,010)	(133,891)	(187,467)
1,425	3,702	449	811	27,781	18,507	53,000	29,209
1,425	3,702	449	811	27,781	18,507	53,000	29,209
(1,550)	586	1,551	3,947	106,982	(8,802)	103,438	26,541
10,519	45,290	4,388	7,090	297,103	240,976	609,326	582,785
\$ 8,969	\$ 45,876	\$ 5,939	\$ 11,037	\$ 404,085	\$ 232,174	\$ 712,764	\$ 609,326



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS ARE USED TO ACCOUNT FOR THE FINANCING OF GOODS OR SERVICES PROVIDED BY ONE DEPARTMENT OR AGENCY TO OTHER DEPARTMENTS OR AGENCIES OF THE CITY, OR TO OTHER GOVERNMENTAL UNITS, AND/OR FUNDS.

CITY OF SAN DIEGO

CENTRAL GARAGE AND MACHINE SHOP FUND

This fund was established to account for the acquisition, replacement, maintenance and fueling of the City's motive equipment (excluding Fire and Police vehicles.).

CENTRAL STORES FUND

This fund was established to provide centralized storeroom services to all City departments.

ENGINEERING AND CAPITAL PROJECTS FUND

This fund was established to provide project planning, design, engineering systems management and support, and construction management and inspection services for water and wastewater capital improvements.

PRINT SHOP FUND

This fund was established to provide printing and reproduction services to all City departments.

SELF INSURANCE FUND

This fund was established to account for self insurance activities, including worker's compensation and long-term disability programs for employees. Revenues are derived from rates charged as a percentage of payroll to departments. This fund also accounts for the public liability reserve, which was established for the purpose of paying claims in excess of annual appropriations. Annually, any unspent balance of appropriations from the liability claims account is transferred to fund this reserve, per City policy.

MISCELLANEOUS INTERNAL SERVICE FUND

This fund accounts for other various administrative activities including risk management administration, administration and operation of various employee related programs such as unused compensatory time, unused sick leave and unemployment insurance, and city-wide training. Revenues are derived from rates or fees charged to the departments for specific services rendered.

FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS
CITY OF SAN DIEGO
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	Central Garage and Machine Shop	Central Stores	Engineering and Capital Projects
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 32,238	\$ 772	\$ 2,163
Receivables:			
Accounts - Net	82	1,344	---
Claims - Net	3	---	---
Contributions	---	---	---
Accrued Interest	---	---	8
Advances to Other Funds	36	46	165
Inventories	---	3,475	---
Prepaid and Reimbursable Items and Deposits	459	---	---
Fixed Assets - Net	64,942	154	1,359
TOTAL ASSETS	\$ 97,760	\$ 5,791	\$ 3,695
LIABILITIES			
Accounts Payable	\$ 1,278	\$ 937	\$ 19
Accrued Wages and Benefits	1,347	108	1,344
Liability Claims	---	---	---
Interest Accrued on Long-Term Debt	279	---	---
Long-Term Debt Due Within One Year	4,742	---	---
Deferred Revenue	---	---	---
Advances from Other Funds	52,547	3,282	---
Capital Lease Obligations	17,100	---	---
Net Pension Liability	288	36	264
TOTAL LIABILITIES	77,581	4,363	1,627
FUND EQUITY			
Contributed Capital	226	---	---
Retained Earnings (Deficit):			
Reserved for Claims and Contingencies	---	---	---
Reserved for General Long Term Claims	---	---	---
Unreserved	19,953	1,428	2,068
TOTAL FUND EQUITY	20,179	1,428	2,068
TOTAL LIABILITIES AND FUND EQUITY	\$ 97,760	\$ 5,791	\$ 3,695

Print Shop	Self Insurance	Miscellaneous Internal Service	Totals	
			2001	2000
\$ 1,955	\$ 11,330	\$ 23,245	\$ 71,703	\$ 68,855
121	252	14	1,813	1,560
---	8	---	11	35
---	---	2,703	2,703	---
---	1	156	165	137
59	---	24	330	314
---	---	---	3,475	3,286
---	---	---	459	101
830	---	7	67,292	59,797
\$ 2,965	\$ 11,591	\$ 26,149	\$ 147,951	\$ 134,085
\$ 119	\$ 1,418	\$ 151	\$ 3,922	\$ 4,353
240	---	5,932	8,971	7,557
---	37,366	---	37,366	36,273
---	---	---	279	268
---	---	---	4,742	4,795
---	3	---	3	546
---	2,085	---	57,914	52,173
---	---	---	17,100	15,149
52	---	236	876	632
411	40,872	6,319	131,173	121,746
---	---	---	226	226
---	---	1,096	1,096	9,198
---	(29,281)	---	(29,281)	(25,310)
2,554	---	18,734	44,737	28,225
2,554	(29,281)	19,830	16,778	12,339
\$ 2,965	\$ 11,591	\$ 26,149	\$ 147,951	\$ 134,085

INTERNAL SERVICE FUNDS
CITY OF SAN DIEGO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	Central Garage and Machine Shop	Central Stores	Engineering and Capital Projects
OPERATING REVENUES			
Charges for Services	\$ 2,148	\$ 25,362	\$ 16,632
Contributions	---	---	---
Usage Fees	30,326	---	---
Other	1,786	158	1
TOTAL OPERATING REVENUES	34,260	25,520	16,633
OPERATING EXPENSES			
Benefit and Claim Payments	---	---	---
Maintenance and Operations	21,198	1,164	9,585
Cost of Materials Issued	---	22,911	---
Administration	1,407	165	6,140
Depreciation and Amortization	10,336	22	619
TOTAL OPERATING EXPENSES	32,941	24,262	16,344
OPERATING INCOME (LOSS)	1,319	1,258	289
NONOPERATING REVENUES (EXPENSES)			
Earnings on Investments	---	3	47
Debt Service Interest Payments	(561)	---	---
Gain/(Loss) on Sale/Retirement of Fixed Assets	(422)	7	(138)
Other Revenue	418	---	---
TOTAL NONOPERATING REVENUES (EXPENSES)	(565)	10	(91)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	754	1,268	198
Operating Transfers In	---	---	---
Transfers from Governmental Funds	---	---	---
Operating Transfers Out	(27)	(40)	(71)
Transfers to Governmental Funds	(27)	---	(28)
NET INCOME (LOSS)	700	1,228	99
Retained Earnings (Deficit) at Beginning of Year	19,253	200	1,969
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	\$ 19,953	\$ 1,428	\$ 2,068

Print Shop	Self Insurance	Miscellaneous Internal Service	Totals	
			2001	2000
\$ 5,842	\$ ---	\$ 2,017	\$ 52,001	\$ 45,827
---	20,364	22,275	42,639	45,512
---	---	---	30,326	27,245
4	342	74	2,365	1,019
5,846	20,706	24,366	127,331	119,603
---	35,294	12,012	47,306	49,425
4,641	---	8,856	45,444	39,249
---	---	---	22,911	22,592
459	---	7,746	15,917	14,742
119	---	7	11,103	9,201
5,219	35,294	28,621	142,681	135,209
627	(14,588)	(4,255)	(15,350)	(15,606)
2	4	924	980	491
---	---	---	(561)	(820)
6	---	---	(547)	910
---	4,528	5	4,951	1,039
8	4,532	929	4,823	1,620
635	(10,056)	(3,326)	(10,527)	(13,986)
---	1,720	2,492	4,212	5,171
---	5,765	9,252	15,017	20,129
(279)	---	(1,730)	(2,147)	(2,756)
(509)	(1,400)	(152)	(2,116)	(7)
(153)	(3,971)	6,536	4,439	8,551
2,707	(25,310)	13,294	12,113	3,562
\$ 2,554	\$ (29,281)	\$ 19,830	\$ 16,552	\$ 12,113

INTERNAL SERVICE FUNDS
CITY OF SAN DIEGO
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

	Central Garage and Machine Shop	Central Stores	Engineering and Capital Projects
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,319	\$ 1,258	\$ 289
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation and Amortization	10,336	22	619
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables:			
Accounts - Net	(30)	(148)	25
Claims - Net	21	---	---
Contributions	---	---	---
(Increase) Decrease in Inventories	---	(189)	---
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	(459)	1	39
Increase (Decrease) in Accounts Payable	172	(1,077)	15
Increase (Decrease) in Accrued Wages and Benefits	84	---	286
Increase (Decrease) in Liability Claims	---	---	---
Increase (Decrease) in Deferred Revenue	---	---	---
Increase (Decrease) in Net Pension Liability	75	9	78
Other Nonoperating Revenue (Expenses)	418	---	---
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	11,936	(124)	1,351
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Transfers In	---	---	---
Transfers from Governmental Funds	---	---	---
Operating Transfers Out	(27)	(40)	(71)
Transfers to Governmental Funds	(27)	---	(28)
Proceeds from Advances and Deposits	5,741	---	---
Payments for Advances and Deposits	---	(12)	---
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	5,687	(52)	(99)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Issuance of Long-Term Debt	7,264	---	---
Acquisition of Fixed Assets	(19,554)	(45)	(561)
Proceeds from the Sale of Fixed Assets	1,171	---	---
Principal Payment on Capital Lease	(5,366)	---	---
Interest Paid on Long-Term Debt	(550)	---	---
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(17,035)	(45)	(561)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	---	3	46
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	---	3	46
Net Increase (Decrease) in Cash and Cash Equivalents	588	(218)	737
Cash and Cash Equivalents at Beginning of Year	31,650	990	1,426
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 32,238	\$ 772	\$ 2,163

Print Shop	Self Insurance	Miscellaneous Internal Service	Totals 2001	2000
\$ 627	\$ (14,588)	\$ (4,255)	\$ (15,350)	\$ (15,606)
119	---	7	11,103	9,201
(60)	(52)	12	(253)	(472)
---	3	---	24	(22)
---	---	(2,703)	(2,703)	---
---	---	---	(189)	(563)
17	---	44	(358)	(9)
(236)	643	52	(431)	205
10	---	1,034	1,414	834
---	1,093	---	1,093	2,539
---	(543)	---	(543)	(11)
13	---	69	244	233
---	4,528	5	4,951	1,039
490	(8,916)	(5,735)	(998)	(2,632)
---	1,720	2,492	4,212	5,171
---	5,765	9,252	15,017	20,129
(279)	---	(1,730)	(2,147)	(2,756)
(509)	(1,400)	(152)	(2,116)	(7)
---	---	---	5,741	8,676
(4)	---	---	(16)	(19)
(792)	6,085	9,862	20,691	31,194
---	---	---	7,264	7,540
(150)	---	(5)	(20,315)	(18,809)
---	---	---	1,171	966
---	---	---	(5,366)	(3,701)
---	---	---	(550)	(752)
(150)	---	(5)	(17,796)	(14,756)
2	2	898	951	421
2	2	898	951	421
(450)	(2,829)	5,020	2,848	14,227
2,405	14,159	18,225	68,855	54,628
\$ 1,955	\$ 11,330	\$ 23,245	\$ 71,703	\$ 68,855



TRUST AND AGENCY FUNDS

TRUST AND AGENCY FUNDS INCLUDE EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST AND AGENCY FUNDS. NONEXPENDABLE AND PENSION TRUST FUNDS ARE ACCOUNTED FOR AND REPORTED AS FIDUCIARY FUNDS SINCE CAPITAL MAINTENANCE IS CRITICAL. EXPENDABLE TRUST AND AGENCY FUNDS ARE ACCOUNTED FOR AND REPORTED SIMILAR TO GOVERNMENTAL FUNDS.

PENSION TRUST FUNDS

CITY OF SAN DIEGO

CITY EMPLOYEES' RETIREMENT SYSTEM FUND

The City Employees' Retirement System ("CERS") Fund is under the control of the Retirement Board of Administration. It is a defined benefit plan, whereby funds are accumulated from contributions from both the City and employees' plus earnings from Fund investments. Disbursements are made for retirements, disability and death benefit payments, and refunds.

POST RETIREMENT HEALTH CARE

This fund was established to account for the costs of post-retirement health care benefits for the City Employees' Retirement System. Benefits are funded from contributions from CERS and from earnings on investments.

SUPPLEMENTAL PENSION SAVINGS PLAN FUND

The Supplemental Pension Savings Plan Fund is a defined contribution plan, where benefits depend solely on amounts contributed to the plan by both the City and employees', plus investment earnings. Disbursements are made from the fund for terminations, retirements, allowable yearly withdrawals, and loans.

CENTRE CITY DEVELOPMENT CORPORATION

The Centre City Development Corporation ("CCDC") pension fund accounts for the Corporation's defined contribution pension plans. Benefits depend solely on amounts contributed to the plans by both the Corporation and employees', plus investment earnings.

TRUST AND AGENCY FUNDS (Continued)

EXPENDABLE TRUST FUNDS

CITY OF SAN DIEGO

This fund was established to account for a variety of revenues such as contributions from developers, gifts and donations, and service charges which are used for stipulated purposes.

REDEVELOPMENT AGENCY

This fund was established to account for funds contributed by the Redevelopment Agency and others to pay for cleanup of underground gas plumes in the redevelopment area.

NONEXPENDABLE TRUST FUND

This fund was established to account for assets set aside to finance projects of a perpetual nature. The principal of the perpetuity fund (subject to accretion or diminution as may result from investments) is not available for meeting projects expenses. All income derived from the investment of the monies in said perpetuity fund, together with principal deposits, are expended for purposes established by the trusts' intent and overseen by cognizant commissions.

AGENCY FUNDS

These funds were established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example federal and state income taxes withheld from employees, 401(k) plan, parking citation revenues, and employee benefit plans.

FINANCIAL STATEMENTS

TRUST AND AGENCY FUNDS

TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	Pension Trust
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 234,247
Cash or Equity in Pooled Cash and Investments - Nonexpendable Trust	---
Cash with Custodian/Fiscal Agent	---
Cash with Custodian/Fiscal Agent - Nonexpendable Trust	---
Investments at Fair Value	2,908,332
Receivables:	
Accounts - Net	---
Contributions	10,641
Accrued Interest	12,420
Loans	18,429
Securities Sold	20,708
Prepaid and Reimbursable Items and Deposits	40
Fixed Assets - Net	265
TOTAL ASSETS	\$ 3,205,082
LIABILITIES	
Accounts Payable	\$ 813
Accrued Wages and Benefits	342
Employees' 401(k) Plan	---
Due to Other Funds	---
Deferred Revenue	257
Advances from Other Funds	---
Deposits/Advances from Others	---
Sundry Trust Liabilities	---
Net Pension Liabilities	75
Securities Purchased	204,146
Contracts and Notes Payable	---
TOTAL LIABILITIES	205,633
FUND EQUITY	
Fund Balances:	
Reserved for Encumbrances	2,689
Reserved for Nonexpendable Trust	---
Reserved for Pension Benefits	2,996,760
Unreserved:	
Designated for Unrealized Gains	---
Designated for Subsequent Years' Expenditures	---
Undesignated	---
TOTAL FUND EQUITY	2,999,449
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,205,082

City of San Diego					
Expendable Trust	Nonexpendable Trust	Agency	Totals		
			2001	2000	
\$ 4,085	\$ ---	\$ 100,007	\$ 338,339	\$ 297,744	
---	139	---	139	282	
3	---	---	3	30	
---	389	---	389	236	
968	11,775	99,277	3,020,352	3,287,923	
10	17	6,427	6,454	5,243	
---	---	---	10,641	8,746	
64	20	25	12,529	16,780	
---	---	5,632	24,061	23,462	
---	---	---	20,708	34,402	
---	---	---	40	30	
---	---	---	265	293	
\$ 5,130	\$ 12,340	\$ 211,368	\$ 3,433,920	\$ 3,675,171	
\$ 11	\$ 1	\$ 3,557	\$ 4,382	\$ 782	
---	---	---	342	318	
---	---	105,269	105,269	103,317	
---	---	78,061	78,061	100,546	
10	---	---	267	297	
---	---	330	330	330	
---	---	10,456	10,456	9,436	
---	---	13,695	13,695	12,374	
---	---	---	75	52	
---	---	---	204,146	345,302	
---	---	---	---	553	
21	1	211,368	417,023	573,307	
1,603	---	---	4,292	8,757	
---	12,339	---	12,339	11,242	
---	---	---	2,996,760	3,078,278	
30	---	---	30	311	
700	---	---	700	941	
2,776	---	---	2,776	2,335	
5,109	12,339	---	3,016,897	3,101,864	
\$ 5,130	\$ 12,340	\$ 211,368	\$ 3,433,920	\$ 3,675,171	

TRUST AND AGENCY FUNDS
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	City Employees' Retirement System
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 234,195
Investments at Fair Value	2,531,252
Receivables:	
Contributions	8,566
Accrued Interest	12,420
Loans	---
Securities Sold	20,708
Prepaid and Reimbursable Items and Deposits	40
Fixed Assets - Net	265
TOTAL ASSETS	\$ 2,807,446
LIABILITIES	
Accounts Payable	\$ 813
Accrued Wages and Benefits	342
Deferred Revenue	257
Net Pension Liabilities	75
Securities Purchased	204,146
Contracts and Notes Payable	---
TOTAL LIABILITIES	205,633
FUND EQUITY	
Fund Balances:	
Reserved for Encumbrances	2,689
Reserved for Pension Benefits	2,599,124
TOTAL FUND EQUITY	2,601,813
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,807,446

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

ADDITIONS	
Contributions	\$ 133,881
Earnings on Investments	(23,989)
Other Income	371
TOTAL OPERATING ADDITIONS	110,263
DEDUCTIONS	
Benefit and Claim Payments	154,662
Administration	6,251
Depreciation	28
TOTAL OPERATING DEDUCTIONS	160,941
NET INCREASE	(50,678)
Net Assets at Beginning of Year	2,652,491
Net Assets at End of Year	\$ 2,601,813

City of San Diego
Reporting Entity

Post Retirement Health Care	Supplemental Pension Savings Plan	Centre City Development Corporation	Totals	
			2001	2000
\$ ---	\$ 52	\$ ---	\$ 234,247	\$ 170,110
---	371,890	5,190	2,908,332	3,177,951
---	2,075	---	10,641	8,746
---	---	---	12,420	16,685
---	18,429	---	18,429	18,558
---	---	---	20,708	34,402
---	---	---	40	29
---	---	---	265	293
\$ ---	\$ 392,446	\$ 5,190	\$ 3,205,082	\$ 3,426,774
\$ ---	\$ ---	\$ ---	\$ 813	\$ 22
---	---	---	342	318
---	---	---	257	271
---	---	---	75	52
---	---	---	204,146	345,302
---	---	---	---	553
---	---	---	205,633	346,518
---	---	---	2,689	1,978
---	392,446	5,190	2,996,760	3,078,278
---	392,446	5,190	2,999,449	3,080,256
\$ ---	\$ 392,446	\$ 5,190	\$ 3,205,082	\$ 3,426,774
\$ ---	\$ 41,556	\$ 521	\$ 175,958	\$ 149,267
---	(34,481)	(801)	(59,271)	389,205
---	---	---	371	308
---	7,075	(280)	117,058	538,780
6,610	30,154	159	191,585	138,540
---	---	1	6,252	4,362
---	---	---	28	22
6,610	30,154	160	197,865	142,924
(6,610)	(23,079)	(440)	(80,807)	395,856
6,610	415,525	5,630	3,080,256	2,684,400
\$ ---	\$ 392,446	\$ 5,190	\$ 2,999,449	\$ 3,080,256

TRUST AND AGENCY FUNDS
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
June 30, 2001
With Comparative Figures for June 30, 2000
(In Thousands)

	City of San Diego Reporting Entity
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 4,085
Cash with Custodian/Fiscal Agent	3
Investments at Fair Value	968
Receivables:	
Accounts - Net	10
Accrued Interest	64
Prepaid and Reimbursable Items and Deposits	---
TOTAL ASSETS	\$ 5,130
LIABILITIES	
Accounts Payable	\$ 11
Deferred Revenue	10
TOTAL LIABILITIES	21
FUND EQUITY	
Fund Balances:	
Reserved for Encumbrances	1,603
Unreserved:	
Designated for Unrealized Gains	30
Designated for Subsequent Years' Expenditures	700
Undesignated	2,776
TOTAL FUND EQUITY	5,109
TOTAL LIABILITIES AND FUND EQUITY	\$ 5,130

Redevelopment Agency	Totals	
	2001	2000
\$ ---	\$ 4,085	\$ 9,093
---	3	30
---	968	915
---	10	23
---	64	63
---	---	1
\$ ---	\$ 5,130	\$ 10,125
\$ ---	\$ 11	\$ ---
---	10	26
---	21	26
---	1,603	6,779
---	30	44
---	700	941
---	2,776	2,335
---	5,109	10,099
\$ ---	\$ 5,130	\$ 10,125

TRUST AND AGENCY FUNDS
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2001
With Comparative Figures for the Year Ended June 30, 2000
(In Thousands)

City of
San Diego
Reporting
Entity

REVENUES

Revenue from Use of Money and Property	\$ 722
Revenue from Other Agencies	---
Revenue from Private Sources	200
TOTAL REVENUES	922

EXPENDITURES

Current:

Public Safety	10
Libraries	183
Parks, Recreation and Culture	117
Public Works	1
Employee Relations and Special Projects	9
Capital Projects	5,563

TOTAL EXPENDITURES 5,883

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (4,961)

Fund Balances at Beginning of Year 10,070

FUND BALANCES AT END OF YEAR \$ 5,109

Redevelopment Agency		Totals	
		2001	2000
\$	---	\$ 722	\$ 302
	---		3,025
	12	212	4,203
	12	934	7,530
	---	10	67
	---	183	83
	---	117	109
	---	1	35
	---	9	---
	41	5,604	109
	41	5,924	403
	(29)	(4,990)	7,127
	29	10,099	2,972
\$	---	\$ 5,109	\$ 10,099

TRUST AND AGENCY FUNDS
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 June 30, 2001
 With Comparative Figures for June 30, 2000
 (In Thousands)

	Employee Benefits
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 6,106
Investments at Fair Value	---
Receivables:	
Accounts - Net	45
Accrued Interest	9
Loans	---
TOTAL ASSETS	\$ 6,160
LIABILITIES	
Accounts Payable	\$ 1,889
Employees' 401(k) Plan	---
Due to Other Funds	---
Advances from Other Funds	---
Deposits/Advances from Others	---
Sundry Trust Liabilities	4,271
TOTAL LIABILITIES	\$ 6,160

Employees' 401(k)	Other Miscellaneous Agency	Totals	
		2001	2000
\$ 360	\$ 93,541	\$ 100,007	\$ 118,541
99,277	---	99,277	98,102
---	6,382	6,427	5,201
---	16	25	14
5,632	---	5,632	4,904
\$ 105,269	\$ 99,939	\$ 211,368	\$ 226,762
\$ ---	\$ 1,668	\$ 3,557	\$ 759
105,269	---	105,269	103,317
---	78,061	78,061	100,546
---	330	330	330
---	10,456	10,456	9,436
---	9,424	13,695	12,374
\$ 105,269	\$ 99,939	\$ 211,368	\$ 226,762

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2001
(In Thousands)

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
CITY OF SAN DIEGO				
Employee Benefits				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 5,016	\$ 54,256	\$ 53,166	\$ 6,106
Receivables:				
Accounts - Net	39	401	395	45
Accrued Interest	---	49	40	9
TOTAL ASSETS	\$ 5,055	\$ 54,706	\$ 53,601	\$ 6,160
LIABILITIES				
Accounts Payable	\$ 225	\$ 28,833	\$ 27,169	\$ 1,889
Sundry Trust Liabilities	4,830	54,954	55,513	4,271
TOTAL LIABILITIES	\$ 5,055	\$ 83,787	\$ 82,682	\$ 6,160
Employees' 401(k)				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 311	\$ 36,461	\$ 36,412	\$ 360
Investments at Fair Value	98,102	168,929	167,754	99,277
Receivables:				
Loans	4,904	3,629	2,901	5,632
TOTAL ASSETS	\$ 103,317	\$ 209,019	\$ 207,067	\$ 105,269
LIABILITIES				
Employees' 401(k) Plan	\$ 103,317	\$ 209,019	\$ 207,067	\$ 105,269

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2001
(In Thousands)

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
CITY OF SAN DIEGO (Continued):				
Other Miscellaneous Agency				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 113,214	\$ 1,067,242	\$ 1,086,915	\$ 93,541
Receivables:				
Accounts - Net	5,162	6,435	5,215	6,382
Accrued Interest	14	134	132	16
TOTAL ASSETS	\$ 118,390	\$ 1,073,811	\$ 1,092,262	\$ 99,939
LIABILITIES				
Accounts Payable	\$ 534	\$ 82,027	\$ 80,893	\$ 1,668
Due to Other Funds	100,546	78,161	100,646	78,061
Advances from Other Funds	330	---	---	330
Deposits/Advances from Others	9,436	2,788	1,768	10,456
Sundry Trust Liabilities	7,544	142,740	140,860	9,424
TOTAL LIABILITIES	\$ 118,390	\$ 305,716	\$ 324,167	\$ 99,939
TOTAL AGENCY FUNDS-CITY OF SAN DIEGO				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 118,541	\$ 1,157,959	\$ 1,176,493	\$ 100,007
Investments at Fair Value	98,102	168,929	167,754	99,277
Receivables:				
Accounts - Net	5,201	6,836	5,610	6,427
Accrued Interest	14	183	172	25
Loans	4,904	3,629	2,901	5,632
TOTAL ASSETS	\$ 226,762	\$ 1,337,536	\$ 1,352,930	\$ 211,368
LIABILITIES				
Accounts Payable	\$ 759	\$ 110,860	\$ 108,062	\$ 3,557
Employees' 401 (k) Plan	103,317	209,019	207,067	105,269
Due to Other Funds	100,546	78,161	100,646	78,061
Advances from Other Funds	330	---	---	330
Deposits/Advances from Others	9,436	2,788	1,768	10,456
Sundry Trust Liabilities	12,374	197,694	196,373	13,695
TOTAL LIABILITIES	\$ 226,762	\$ 598,522	\$ 613,916	\$ 211,368



GENERAL FIXED ASSETS ACCOUNT GROUP

THIS ACCOUNT GROUP IS USED TO PRESENT THE GENERAL FIXED ASSETS OF THE CITY UTILIZED IN ITS GENERAL OPERATIONS, EXCLUSIVE OF THOSE USED IN ENTERPRISE AND INTERNAL SERVICE FUNDS. GENERAL FIXED ASSETS INCLUDE LAND, BUILDINGS, BETTERMENTS, AND EQUIPMENT OWNED BY THE CITY.

FINANCIAL STATEMENTS

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

GENERAL FIXED ASSETS
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
 June 30, 2001
 (In Thousands)

	Land	Structures and Improvements	Equipment	Total
GENERAL GOVERNMENT DEPARTMENTS				
Legislative	\$ ---	\$ 10	\$ 1,052	\$ 1,062
Executive	3,391	103	1,325	4,819
Finance	162	874	23,638	24,674
Law	283	1,419	1,581	3,283
Planning and Zoning	---	---	2,080	2,080
Personnel Administration	---	---	244	244
Buildings and Grounds	48,648	42,323	---	90,971
Total General Government Departments	52,484	44,729	29,920	127,133
PUBLIC SAFETY DEPARTMENTS				
Police	5,466	77,796	52,758	136,020
Fire and Life Safety	2,277	20,437	30,738	53,452
Total Public Safety Departments	7,743	98,233	83,496	189,472
GENERAL SERVICE DEPARTMENTS				
Public Works	1,075	2,640	7,774	11,489
Streets and Highways	40,380	110,277	10,731	161,388
Waste Collection and Disposal	17	279	288	584
Libraries	12,716	18,559	2,764	34,039
Parks and Recreation	276,969	135,624	16,131	428,724
Housing and Community Development	89,615	---	2,190	91,805
Cemetery	1	142	169	312
Zoo	---	118,960	42,841	161,801
Data Processing	---	---	16	16
Total General Service Departments	420,773	386,481	82,904	890,158
TOTAL GENERAL CITY FIXED ASSETS				
ALLOCATED TO FUNCTIONS	\$ 481,000	\$ 529,443	\$ 196,320	1,206,763
Construction Work in Progress				412,095
TOTAL GENERAL CITY FIXED ASSETS				\$ 1,618,858

GENERAL FIXED ASSETS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended June 30, 2001
(In Thousands)

	General Fixed Assets July 1, 2000	Additions	Transfers	Deductions	General Fixed Assets June 30, 2001
GENERAL GOVERNMENT DEPARTMENTS					
Legislative	\$ 2,118	\$ 234	\$ (937)	\$ 353	\$ 1,062
Executive	3,007	2,260	(459)	(11)	4,819
Finance	15,535	1,396	7,762	19	24,674
Law	3,122	137	24	---	3,283
Planning and Zoning	1,929	285	(134)	---	2,080
Personnel Administration	327	100	(183)	---	244
Buildings and Grounds	92,457	196	43	1,725	90,971
Total General Government Departments	118,495	4,608	6,116	2,086	127,133
PUBLIC SAFETY DEPARTMENTS					
Police	133,977	5,627	(297)	3,287	136,020
Fire and Life Safety	52,871	658	4	81	53,452
Total Public Safety Departments	186,848	6,285	(293)	3,368	189,472
GENERAL SERVICE DEPARTMENTS					
Public Works	11,692	994	(506)	691	11,489
Streets and Highways	161,394	175	(115)	66	161,388
Waste Collection and Disposal	561	112	(89)	---	584
Libraries	33,983	461	(376)	29	34,039
Parks and Recreation	385,435	45,699	(233)	2,177	428,724
Housing and Community Development	77,666	16,504	---	2,365	91,805
Cemetery	318	9	(15)	---	312
Zoo	151,890	21,879	---	11,968	161,801
Data Processing	16	---	---	---	16
Total General Service Departments	822,955	85,833	(1,334)	17,296	890,158
TOTAL GENERAL CITY FIXED ASSETS					
ALLOCATED TO FUNCTIONS	\$ 1,128,298	\$ 96,726	\$ 4,489	\$ 22,750	1,206,763
Construction Work in Progress					412,095
TOTAL GENERAL CITY FIXED ASSETS				\$	1,618,858



GENERAL LONG-TERM DEBT ACCOUNT GROUP

THIS ACCOUNT GROUP IS ESTABLISHED TO ACCOUNT FOR ALL LONG-TERM DEBT OF THE CITY, EXCEPT FOR THAT ACCOUNTED FOR IN THE PROPRIETARY FUND TYPES.

FINANCIAL STATEMENTS

GENERAL LONG-TERM DEBT ACCOUNT GROUP

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
SCHEDULE OF GENERAL LONG-TERM DEBT
June 30, 2001
(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT	City of San Diego	Centre City Development Corporation	City of San Diego/ MTDB Authority
AMOUNT AVAILABLE IN:			
Special Revenue Funds	\$ ---	\$ ---	\$ ---
Debt Service Funds	22,532	---	12,041
Total Amount Available	22,532	---	12,041
AMOUNT TO BE PROVIDED FOR:			
Payment of Contracts	---	---	---
Payment of Notes	26,384	---	---
Payment of Loans	---	---	---
Payment of Bonds:			
General Obligation Bonds	16,066	---	---
Revenue Bonds/Certificates of Participation	914	---	44,894
Special Assessment Bonds	144,460	---	---
Tax Allocation Bonds	---	---	---
Payment of Capital Leases	13,233	---	---
Net Pension Obligation	25,599	---	---
Liability Claims	44,963	---	---
Accrued Annual Leave	51,927	142	---
Total Amount to be Provided	323,546	142	44,894
TOTAL AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT	\$ 346,078	\$ 142	\$ 56,935

GENERAL LONG-TERM DEBT PAYABLE

Bonds Payable:			
General Obligation Bonds	\$ 18,075	\$ ---	\$ ---
Revenue Bonds/Certificates of Participation	1,900	---	56,935
Special Assessment/Mello-Roos Bonds	163,997	---	---
Tax Allocation Bonds	---	---	---
Total Bonds Payable	183,972	---	56,935
Contracts Payable	---	---	---
Notes Payable	26,384	---	---
Loans Payable	---	---	---
Capital Lease Obligations	13,233	---	---
Pension Obligations	25,599	---	---
Liability Claims	44,963	---	---
Accrued Annual Leave	51,927	142	---
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ 346,078	\$ 142	\$ 56,935

Convention Center Expansion Financing Authority	Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities and Equipment Leasing Corporation	San Diego Open Space Park Facilities District #1	Southeastern Economic Development Corporation	Total
\$ ---	\$ ---	\$ 41,563	\$ ---	\$ ---	\$ ---	\$ 41,563
7,836	65,250	32,916	32,975	1,257	---	174,807
7,836	65,250	74,479	32,975	1,257	---	216,370
---	---	3,815	---	---	---	3,815
---	---	11,376	---	---	---	37,760
---	---	3,246	---	---	---	3,246
---	---	---	---	44,263	---	60,329
197,164	1,112,730	11,133	410,760	---	---	1,777,595
---	---	---	---	---	---	144,460
---	---	149,573	---	---	---	149,573
---	---	---	---	---	---	13,233
---	---	---	---	---	---	25,599
---	---	---	---	---	---	44,963
---	---	---	---	---	53	52,122
197,164	1,112,730	179,143	410,760	44,263	53	2,312,695
\$ 205,000	\$ 1,177,980	\$ 253,622	\$ 443,735	\$ 45,520	\$ 53	\$ 2,529,065
\$ ---	\$ ---	\$ ---	\$ ---	\$ 45,520	\$ ---	\$ 63,595
205,000	1,177,980	12,105	443,735	---	---	1,897,655
---	---	---	---	---	---	163,997
---	---	222,751	---	---	---	222,751
205,000	1,177,980	234,856	443,735	45,520	---	2,347,998
---	---	3,938	---	---	---	3,938
---	---	11,578	---	---	---	37,962
---	---	3,250	---	---	---	3,250
---	---	---	---	---	---	13,233
---	---	---	---	---	---	25,599
---	---	---	---	---	---	44,963
---	---	---	---	---	53	52,122
\$ 205,000	\$ 1,177,980	\$ 253,622	\$ 443,735	\$ 45,520	\$ 53	\$ 2,529,065



STATISTICAL SECTION (NOT AUDITED)

STATISTICAL DATA AND TABLES

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(In Thousands)**

Table 1

Fiscal Year Ended June 30	General Government	Public Safety	Libraries	Parks, Recreation and Culture	Public Works	Community Development, Transportation and Social Services	Other	Debt Service	Capital Projects	Total
1992	\$80,978	\$237,181	\$17,166	\$94,566	\$104,921	\$13,235	\$10,193	\$44,363	\$138,478	\$741,081
1993	81,158	244,159	16,683	86,810	101,788	13,665	2,308	39,022	101,778	687,371
1994	80,288	253,486	17,769	69,468	100,244	13,882	2,007	59,622	301,898	898,664
1995	90,224	255,100	19,043	77,516	104,392	18,832	1,989	64,261	215,378	846,735
1996	83,791	275,678	19,529	84,414	106,864	25,248	2,517	84,514	326,797	1,009,352
1997	71,379	298,982	21,568	83,654	110,961	34,347	12,959	92,160	381,991	1,108,001
1998	73,424	317,858	23,118	88,716	124,580	28,667	2,838	123,528	289,299	1,072,028
1999	77,906	362,367	24,314	99,504	136,474	28,542	12,891	130,187	440,153	1,312,338
2000	83,351	396,009	26,320	106,336	152,444	37,599	2,274	170,647	413,216	1,388,196
2001	95,992	406,590	31,547	116,312	152,558	49,914	5,425	179,563	473,373	1,511,274

**GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(In Thousands)**

Table 2

Fiscal Year Ended June 30	Property Taxes	Special Assessments	Sales Taxes	Other Local Taxes	Licenses and Permits	Fines and Forfeitures	Revenue from Use of Money and Property	Revenue from Agencies and Private Sources	Charges for Current Services	Other	Total
1992	\$134,836	\$13,668	\$119,323	\$112,576	\$24,129	\$16,618	\$79,505	\$90,290	\$60,028	\$8,002	\$658,975
1993	123,695	27,024	125,893	108,190	24,508	16,231	71,562	91,880	59,961	7,441	656,385
1994	140,545	17,193	130,914	109,316	29,041	17,905	58,691	154,983	67,635	8,547	734,770
1995	139,719	17,196	139,714	119,703	30,878	18,443	66,402	144,409	73,887	18,114	768,465
1996	137,997	20,367	114,218	150,684	29,806	17,498	77,748	169,220	76,787	9,968	804,293
1997	139,404	23,142	132,628	156,684	26,553	18,370	77,189	187,705	78,324	18,046	858,045
1998	150,409	17,573	174,615	155,587	30,735	17,953	82,234	207,817	76,432	23,640	936,995
1999	160,658	19,630	179,037	161,928	34,854	25,541	103,211	267,069	85,498	10,544	1,047,970
2000	179,048	18,457	198,622	171,141	30,381	31,141	121,268	357,058	95,000	15,462	1,217,578
2001	201,801	18,775	221,724	193,177	34,803	32,902	109,067	340,799	101,781	11,544	1,266,373

NOTE: Beginning in 1994, excludes discretely presented component unit from both tables.

Both Tables include all governmental fund types and expendable trust funds.

**GENERAL FUND
GENERAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(In Thousands)**

Table 3

Fiscal Year Ended June 30	Total General Revenue	Property Taxes	Sales Tax	Other Local Taxes	Licenses and Permits	Fines, Forfeitures and Penalties	Revenue from Use of Money and Property	Revenue from Other Agencies and Private Sources	Charges for Current Services	Other Revenue and Fund Transfers
1992	\$443,515	\$132,786 29.9 %	\$91,553 20.6 %	\$43,662 9.9 %	\$19,054 4.3 %	\$13,993 3.2 %	\$26,842 6.1 %	\$41,387 9.3 %	\$53,625 12.1 %	\$20,613 4.6 %
1993	455,255	121,314 26.6	95,915 21.1	48,408 10.6	19,909 4.4	13,951 3.1	23,994 5.3	41,684 9.2	52,628 11.6	37,452 8.2
1994	461,510	112,602 24.4	97,958 21.2	47,311 10.3	25,509 5.5	16,232 3.5	22,471 4.9	44,594 9.7	62,032 13.4	32,801 7.1
1995	475,245	112,472 23.7	92,677 19.5	55,914 11.8	25,820 5.4	16,902 3.6	25,445 5.4	43,394 9.1	68,435 14.4	34,186 7.2
1996	494,137	112,814 22.8	101,304 20.5	59,377 12.0	23,922 4.8	16,640 3.4	25,706 5.2	45,655 9.2	71,521 14.5	37,198 7.5
1997	511,715	114,841 22.4	104,327 20.4	69,165 13.5	21,750 4.3	17,125 3.3	24,249 4.7	48,670 9.5	71,884 14.0	39,704 7.8
1998	555,524	123,012 22.1	117,985 21.2	83,796 15.1	19,272 3.5	16,170 2.9	30,789 5.5	53,603 9.6	67,825 12.2	43,072 7.8
1999	561,031	130,624 23.3	128,339 22.9	86,968 15.5	20,630 3.7	23,613 4.2	29,940 5.3	57,723 10.3	70,244 12.5	12,950 2.3
2000	651,532	144,288 22.1	130,240 20.0	94,809 14.6	20,693 3.2	28,410 4.4	34,429 5.3	85,465 13.1	77,469 11.9	35,729 5.5
2001	710,783	158,585 22.3	142,069 20.0	109,151 15.4	22,154 3.1	29,776 4.2	40,841 5.7	88,049 12.4	84,156 11.8	36,002 5.1

**GENERAL FUND
EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(In Thousands)**

Table 4

Fiscal Year Ended June 30	Total General Expenditures	General Government	Community and Economic Development	Public Safety	Libraries	Parks, Recreation and Culture	Public Works	Claims	Other Expenditures and Transfers
1992	\$454,265	\$56,906 12.5 %	\$11,387 2.5 %	\$235,058 51.7 %	\$15,278 3.4 %	\$36,570 8.0 %	\$79,792 17.6 %	\$7,597 1.7 %	\$11,677 2.6 %
1993	453,806	55,186 12.2	10,589 2.3	238,812 52.6	15,277 3.4	35,141 7.7	78,576 17.3	7,735 1.7	12,490 2.7
1994	466,113	55,653 11.9	9,993 2.1	248,925 53.4	16,469 3.5	34,779 7.5	79,767 17.1	9,577 2.1	10,950 2.3
1995	480,138	65,245 13.6	6,169 1.3	258,673 53.9	17,052 3.6	37,162 7.7	81,537 17.0	2,897 0.6	11,403 2.4
1996	497,383	61,286 12.3	6,740 1.4	272,851 54.9	17,451 3.5	37,541 7.5	80,517 16.2	5,146 1.0	15,851 3.2
1997	513,069	62,017 12.1	7,036 1.4	289,684 56.5	18,911 3.7	40,469 7.9	80,141 15.6	268 0.1	14,543 2.8
1998	545,049	64,725 11.9	8,003 1.5	301,726 55.4	20,677 3.8	41,561 7.6	66,937 12.3	606 0.1	40,814 7.5
1999	583,726	67,405 11.5	8,652 1.5	321,319 55.0	21,824 3.7	44,910 7.7	70,413 12.1	6,884 1.2	42,319 7.2
2000	636,777	69,400 10.9	14,661 2.3	348,869 54.8	22,820 3.6	49,850 7.8	76,300 12.0	11,965 1.9	42,912 6.7
2001	687,482	79,800 11.6	19,778 2.9	369,607 53.8	26,494 3.9	56,748 8.3	80,999 11.8	5,237 0.8	48,819 7.1

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

CITY OF SAN DIEGO OVERSIGHT UNIT
 ASSESSED VALUATION OF ALL TAXABLE PROPERTY - EXCLUDING REDEVELOPMENT PROJECTS
 (100% OF FULL VALUE IN THOUSANDS OF DOLLARS)
 Fiscal Years 1992 to 2002

	2001-02	2000-01	1999-00
GROSS			
Secured - Locally Assessed	\$89,204,182	\$82,140,464	\$75,735,993
Utilities - State Assessed	55,135	54,775	52,758
Total Secured Valuation	89,259,317	82,195,239	75,788,751
Unsecured - Locally Assessed	6,838,926	6,347,101	5,852,822
Total Gross Valuation	\$96,098,243	\$88,542,340	\$81,641,573
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	\$2,979,594	\$2,718,748	\$2,661,739
Unsecured - Locally Assessed	592,594	530,732	325,881
Total Exemptions	\$3,572,188	\$3,249,480	\$2,987,620
NET ASSESSED VALUATION FOR TAX RATE			
Secured - Locally Assessed	\$86,224,588	\$79,421,716	\$73,074,254
Utilities - State Assessed	55,135	54,775	52,758
Net Secured	86,279,723	79,476,491	73,127,012
Unsecured - Locally Assessed	6,246,332	5,816,369	5,526,941
Net Assessed Valuation for Tax Rate	\$92,526,055	\$85,292,860	\$78,653,953
Percentage Increase (Decrease) Over Base Year	30.334%	20.145%	10.793%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	\$1,381,021	\$1,354,076	\$1,338,820
Unsecured - Locally Assessed	2,215	2,491	2,491
Total Homeowners' Exemptions	\$1,383,236	\$1,356,567	\$1,341,311
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	\$84,843,567	\$78,067,640	\$71,735,434
Utilities - State Assessed	55,135	54,775	52,758
Net Secured	84,898,702	78,122,415	71,788,192
Unsecured - Locally Assessed	6,244,117	5,813,878	5,524,450
Net Assessed Valuation	\$91,142,819	\$83,936,293	\$77,312,642

* Effective July 1, 1988 Assembly Bill 454, Chapter 921, eliminated the reporting of the unitary valuations pertaining to public utilities such as San Diego Gas and Electric and Pacific Telephone. In lieu of the property tax on these previously included assessed valuations, the City will receive from the State (through the County) an amount of unitary revenue based upon the unitary property tax received in the prior year.

Table 5

1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93
\$68,569,476 79,133	\$63,490,451 72,137	\$61,816,965 76,937	\$61,723,445 70,315	\$60,870,172 69,823	\$60,513,469 72,660	\$59,693,810 94,090
68,648,609	63,562,588	61,893,902	61,793,760	60,939,995	60,586,129	59,787,900
5,337,916	4,988,950	4,353,543	4,303,198	4,371,923	4,218,892	4,059,854
\$73,986,525	\$68,551,538	\$66,247,445	\$66,096,958	\$65,311,918	\$64,805,021	\$63,847,754
\$2,681,423	\$2,526,872	\$2,261,774	\$2,297,545	\$2,227,928	\$2,133,694	\$1,967,389
313,391	383,881	93,400	191,962	192,099	227,047	132,379
\$2,994,814	\$2,910,753	\$2,355,174	\$2,489,507	\$2,420,027	\$2,360,741	\$2,099,768
\$65,888,053 79,133	\$60,963,579 72,137	\$59,555,191 76,937	\$59,425,900 70,315	\$58,642,244 69,823	\$58,379,775 72,660	\$57,726,421 94,090
65,967,186	61,035,716	59,632,128	59,496,215	58,712,067	58,452,435	57,820,511
5,024,525	4,605,069	4,260,143	4,111,236	4,179,824	3,991,845	3,927,475
\$70,991,711	\$65,640,785	\$63,892,271	\$63,607,451	\$62,891,891	\$62,444,280	\$61,747,986
8.152%	2.737%	1.573%	1.138%	0.717%	1.128%	3.401%
\$1,276,862	\$1,277,934	\$1,261,478	\$1,260,398	\$1,250,382	\$1,234,435	\$1,198,029
2,211	2,106	1,863	1,475	1,590	1,398	1,414
\$1,279,073	\$1,280,040	\$1,263,341	\$1,261,873	\$1,251,972	\$1,235,833	\$1,199,443
\$64,611,191 79,133	\$59,685,645 72,137	\$58,293,713 76,937	\$58,165,502 70,315	\$57,391,862 69,823	\$57,145,340 72,660	\$56,528,392 94,090
64,690,324	59,757,782	58,370,650	58,235,817	57,461,685	57,218,000	56,622,482
5,022,314	4,602,963	4,258,280	4,109,761	4,178,233	3,990,447	3,926,061
\$69,712,638	\$64,360,745	\$62,628,930	\$62,345,578	\$61,639,918	\$61,208,447	\$60,548,543

**CITY OF SAN DIEGO OVERSIGHT UNIT
ASSESSED VALUATION OF ALL TAXABLE PROPERTY - REDEVELOPMENT AREAS ONLY
(100% OF FULL VALUE IN THOUSANDS)
Fiscal Years 1992 to 2002**

	2001-02	2000-01	1999-00
GROSS			
Secured - Locally Assessed	\$7,412,026	\$6,622,511	\$6,049,675
Utilities - State Assessed	8,874	15,384	15,096
Total Secured Valuation	7,420,900	6,637,895	6,064,771
Unsecured - Locally Assessed	482,155	466,314	435,459
Total Gross Valuation	\$7,903,055	\$7,104,209	\$6,500,230
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	\$314,511	\$330,932	\$288,034
Unsecured - Locally Assessed	38,228	30,508	17,663
Total Exemptions	\$352,739	\$361,440	\$305,697
NET ASSESSED VALUATION FOR TAX RATE			
Secured - Locally Assessed	\$7,097,515	\$6,291,579	\$5,761,641
Utilities - State Assessed	8,874	15,384	15,096
Net Secured	7,106,389	6,306,963	5,776,737
Unsecured - Locally Assessed	443,927	435,806	417,796
Net Assessed Valuation for Tax Rate	\$7,550,316	\$6,742,769	\$6,194,533
Percentage Increase (Decrease) Over Base Year	11.976%	8.850%	39.266%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	\$41,421	\$41,420	\$41,066
Unsecured - Locally Assessed	212	212	---
Total Homeowners' Exemptions	\$41,633	\$41,632	\$41,066
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	\$7,056,094	\$6,250,159	\$5,720,575
Utilities - State Assessed	8,874	15,172	15,096
Net Secured	7,064,968	6,265,331	5,735,671
Unsecured - Locally Assessed	443,715	435,806	417,796
Net Assessed Valuation	\$7,508,683	\$6,701,137	\$6,153,467

* Effective July 1, 1988 Assembly Bill 454, Chapter 921, eliminated the reporting of the unitary valuations pertaining to public utilities such as San Diego Gas and Electric and Pacific Telephone. In lieu of the property tax on these previously included assessed valuations, the City will receive from the State (through the County) an amount of unitary revenue based upon the unitary property tax received in the prior year.

Table 6

1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93
\$4,419,599 6,522	\$4,134,677 4,761	\$4,025,263 4,738	\$4,135,274 5,062	\$4,379,146 5,512	\$4,550,121 5,643	\$2,112,777 4,481
4,426,121	4,139,438	4,030,001	4,140,336	4,384,658	4,555,764	2,117,258
283,966	210,919	207,457	209,922	205,651	160,863	135,711
\$4,710,087	\$4,350,357	\$4,237,458	\$4,350,258	\$4,590,309	\$4,716,627	\$2,252,969
\$252,455	\$209,544	\$183,474	\$178,509	\$172,316	\$142,730	\$30,579
9,660	2,182	812	2,049	2,295	2,051	3,734
\$262,115	\$211,726	\$184,286	\$180,558	\$174,611	\$144,781	\$34,313
\$4,167,144 6,522	\$3,925,133 4,761	\$3,841,789 4,738	\$3,956,765 5,062	\$4,206,830 5,512	\$4,407,391 5,643	\$2,082,198 4,481
4,173,666	3,929,894	3,846,527	3,961,827	4,212,342	4,413,034	2,086,679
274,306	208,737	206,645	207,873	203,356	158,812	131,977
\$4,447,972	\$4,138,631	\$4,053,172	\$4,169,700	\$4,415,698	\$4,571,846	\$2,218,656
7.474%	2.108%	-2.795%	-5.571%	-3.415%	106.064%	10.205%
\$31,658	\$31,086	\$29,752	\$29,560	\$29,778	\$29,394	\$6,850
---	95	95	49	27	7	7
\$31,658	\$31,181	\$29,847	\$29,609	\$29,805	\$29,401	\$6,857
\$4,135,486 6,522	\$3,894,047 4,761	\$3,812,037 4,738	\$3,927,205 5,062	\$4,177,052 5,512	\$4,377,997 5,643	\$2,075,348 4,481
4,142,008	3,898,808	3,816,775	3,932,267	4,182,564	4,383,640	2,079,829
274,306	208,642	206,550	207,824	203,329	158,805	131,970
\$4,416,314	\$4,107,450	\$4,023,325	\$4,140,091	\$4,385,893	\$4,542,445	\$2,211,799

THE CITY OF SAN DIEGO ANNUAL FINANCIAL REPORT

TAX RATES PER \$100 OF ASSESSED VALUATION LAST TEN FISCAL YEARS

Table 7

Fiscal Year Ended June 30	Zoological Exhibits Fund	Bond Interest & Redemption Fund	Total City	Schools	One Percent Property Tax Allocation (A)	Grand Total (B)
1992	0.005	0.0067	0.0117	0.0432	1.00	1.0549
1993	0.005	0.0036	0.0086	0.1001	1.00	1.1087
1994	0.005	0.0036	0.0086	0.1000	1.00	1.1086
1995	0.005	0.0033	0.0083	0.1002	1.00	1.1085
1996	0.005	0.0033	0.0083	0.1002	1.00	1.1085
1997	0.005	0.0034	0.0084	0.0993	1.00	1.1077
1998	0.005	0.0034	0.0084	0.0993	1.00	1.1077
1999	0.005	0.0029	0.0079	0.0963	1.00	1.1042
2000	0.005	0.0026	0.0076	0.0958	1.00	1.1034
2001	0.005	0.0024	0.0074	0.0958	1.00	1.1032

- (A) Under existing provisions of the California Constitution, the maximum ad valorem property tax rate which may be imposed on real property may not exceed \$4.00 except to pay the interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978. The City shares this tax rate in proportion to other local agencies based on an average of property tax received in the three fiscal years prior to 1978-79.
- (B) Effective January 1, 1981, a change in state law required the County Assessor to assess all taxable property at 100% full value as opposed to the prior practice of assessing property at 25% of full value. As a result, taxing agencies were required to fix tax rates based on full value instead of the prior practice of fixing tax rates based on 25% of full value.

SCHEDULE OF LEGAL DEBT MARGIN June 30, 2001 (In Thousands)

Table 8

	For Water Purposes	General Obligation Bonds* For Other Purposes	Total
Assessed Valuation: July 1, 2001 - \$23,131,514 ***			
Debt Limits**	\$3,469,727	\$2,313,151	\$5,782,878
Outstanding General Obligation Bonds	---	18,077	18,077
Less: Cash Reserve for Matured and Unpaid Bonds	---	2	2
Outstanding General Obligation Bonds Applicable to Debt Limit	---	18,075	18,075
LEGAL DEBT MARGIN	\$3,469,727	\$2,295,076	\$5,764,803
Percentage of Outstanding Debt to Legal Debt Margin	0.00%	0.79%	0.31%

* All City of San Diego General Obligation Bonds are serially numbered and redeemable from special tax levy.

** Section 90 of the City Charter provides that the bonded indebtedness for the development, conservation and furnishings of water shall not exceed 15% of the last preceding assessed valuation of all real and personal property of the City subject to direct taxation, and that the bonded indebtedness for other municipal improvements shall not exceed 10% of such valuation.

*** Beginning January 1, 1981, a change in State law required the County Assessor to assess all taxable property at 100% of full value as opposed to the prior practice of assessing property at 25% of full value. To be in compliance with the City Charter, the assessed valuation used for this Statement is at 25% of full value.

LEVIES AND TAXES RECEIVED BY CITY - SECURED PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Table 9

Fiscal Year Ended June 30	Tax Levy	Receipt of Current Year's Taxes During Fiscal Year***	Percentage of Levy Received During Fiscal Year	Receipt of Prior Years' Taxes During Fiscal Year	Total Taxes Received	Prior Years' Tax Levy Adjustments	Ratio of Total Receipts to Tax Levy *	Accumulated Delinquent Taxes **	Ratio of Delinquent Taxes to Tax Levy *
1992	\$127,143	\$121,308	95.41 %	\$3,845	\$125,153	(\$5,026)	93.30 %	\$12,017	4.15 %
1993	120,574	114,821	95.23	5,046	119,867	(8,431)	94.89	14,184	4.43
1994	109,881	105,911	96.39	4,827	110,738	(9,013)	99.02	10,968	4.44
1995	109,754	104,295	95.03	3,897	108,192	(6,542)	95.63	9,920	4.43
1996	111,281	108,137	97.18	2,376	110,513	(6,208)	96.71	9,203	4.43
1997	111,719	108,676	97.28	1,887	110,563	(5,640)	96.48	8,523	4.43
1998	116,912	114,311	97.78	3,118	117,429	(4,287)	97.64	7,639	4.43
1999	127,846	124,267	97.20	2,656	126,923	(3,311)	96.79	6,593	4.42
2000	141,963	137,859	97.11	2,366	140,225	(3,011)	96.25	6,736	4.41
2001	155,060	150,900	97.32	2,506	153,406	(2,617)	96.61	6,346	4.41

* After giving effect to prior years' tax levy adjustments and delinquent taxes.

** Estimated.

*** Includes Accruals after 1988.

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(In Thousands)

Table 10

Fiscal Year Ended June 30	Estimated Population	Assessed Valuation *	Gross Bonded Debt **	Debt Service Monies Available *	Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1992	1,149,598	\$59,717,015	\$95,150	\$3,959	---	\$91,191	0.153	79.32
1993	1,171,608	61,747,986	92,925	4,256	---	88,669	0.144	75.68
1994	1,184,814	62,444,280	94,615	3,388	---	91,227	0.146	77.00
1995	1,202,200	62,891,891	91,970	3,780	---	88,190	0.140	73.36
1996	1,197,676	63,607,451	89,090	3,861	---	85,229	0.134	71.16
1997	1,197,077	63,892,271	82,625	2,142	---	80,483	0.126	67.23
1998	1,224,848	65,640,785	78,600	2,515	---	76,085	0.116	62.12
1999	1,254,281	78,653,953	74,255	2,723	---	71,532	0.091	57.03
2000	1,277,168	85,292,860	68,700	2,941	---	65,759	0.077	51.49
2001	1,250,700	92,526,055	63,595	3,266	---	60,329	0.065	48.24

* Excludes Redevelopment.

** Represents all General Obligation Debt.

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2001
(In Thousands)

Table 11

Jurisdiction	Debt Outstanding June 30, 2001	Percentage Applicable to City of San Diego	Amount Applicable to City of San Diego
City of San Diego	\$18,075 *	100.000%	\$18,075
City of San Diego Certificates of Participation	60,635 *	100.000%	60,635
City of San Diego 1915 Act Bonds	47,167	100.000%	47,167
City of San Diego Mello-Roos Bonds	116,830	100.000%	116,830
City of San Diego Redevelopment Agency	222,751 *	100.000%	222,751
City of San Diego Metropolitan Transit Development Board (MTDB)	56,935 *	100.000%	56,935
Convention Center Expansion Authority	205,000 *	100.000%	205,000
Metropolitan Water District	527,483	8.700%	45,891
North City West School Community Facilities District	73,715	100.000%	73,715
Poway Unified School Community Facilities District #1	73,385	100.000%	73,385
Public Facilities Financing Authority	65,905 *	100.000%	65,905
San Diego Community College District	45,965	99.906%	45,922
San Diego County General Fund Obligations	531,311	47.846%	254,211
San Diego County Pension Obligations	317,345	47.846%	151,837
San Diego County Water Authority	4,725	49.649%	2,346
San Diego Open Space Park Facilities District # 1	45,520	100.000%	45,520
San Diego Unified School District	474,364	99.910%	473,937
Other School and Community College Districts	158,266	various	97,752
Other Special Districts	77,822	various	19,426
Other High School and School Districts	39,905	various	35,148
Otay Municipal Water District Certificates of Participation	27,280	7.544%	2,058
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT			\$2,114,446 **
Less:			
100% Self-Supporting			
Otay Mesa Water District.....			2,058
Grossmont Union High School District COP's			68
San Diego Open Space Park Facilities District #1			45,520
TOTAL BONDED DEBT SUPPORTED BY OTHER THAN PROPERTY TAX			47,646
NET DIRECT AND OVERLAPPING BONDED DEBT			\$2,066,800
2000-01 Assessed Valuation (100% of Full Value):			
\$84,848,486 (including the redevelopment tax allocation increment of \$6,194,533)			
Ratios to Assessed Valuation			
* City of San Diego Gross Direct Debt (\$629,301)			0.74%
City of San Diego Net Direct Debt (excludes Redevelopment Agency) (\$406,550)			0.52%
City of San Diego and Open Space District Gross Direct Debt (\$674,821)			0.80%
City of San Diego and Open Space District Net Direct Debt (\$452,070)			0.57%
TOTAL GROSS DEBT			2.49%
TOTAL NET DEBT			2.44%

** Excludes revenue and tax anticipation notes.

Sources: Responsible Agencies
California Municipal Statistics, Inc.

**RATIO OF ANNUAL DEBT SERVICE
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(In Thousands)**

Table 12

Fiscal Year Ended June 30	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
1992	\$17,345	\$27,018	\$44,363	\$741,081	5.99%
1993	12,942	26,080	39,022	687,371	5.68%
1994	20,943	38,679	59,622	898,664	6.63%
1995	24,888	39,373	64,261	846,735	7.59%
1996	35,496	49,018	84,514	1,009,352	8.37%
1997	29,311	62,849	92,160	1,108,001	8.32%
1998	42,512	81,016	123,528	1,072,028	11.52%
1999	38,310	84,507	122,817	1,312,338	9.36%
2000	41,727	120,891	162,618	1,388,196	11.71%
2001	52,758	119,094	171,852	1,511,274	11.37%

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

Table 13

Fiscal Year Ended June 30	Current Assessments Due	Current Assessments Collected	Ratio of Collections of Amount Due	Total Outstanding Assessments
1992	\$11,610	\$7,687	66.2	\$120,870
1993	16,949	11,205	66.1	128,857
1994	12,512	10,632	85.0	123,830
1995	11,478	9,565	83.3	118,350
1996	12,564	11,692	93.1	125,650
1997	12,394	11,515	92.9	120,900
1998	11,929	11,359	95.2	113,105
1999	10,843	10,576	97.5	110,835
2000	11,041	10,783	97.7	108,180
2001	9,353	9,143	97.8	164,101

REVENUE BOND COVERAGE - WATER BONDS
LAST TEN FISCAL YEARS
(In Thousands)

Table 14

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Principal	Interest	Total	Debt Service Coverage
1992 *	---	---	---	---	---	---	---
1993 *	---	---	---	---	---	---	---
1994 *	---	---	---	---	---	---	---
1995 *	---	---	---	---	---	---	---
1996 *	---	---	---	---	---	---	---
1997 *	---	---	---	---	---	---	---
1998 *	---	---	---	---	---	---	---
1999 *	---	---	---	---	---	---	---
2000 *	---	---	---	---	---	---	---
2001 *	---	---	---	---	---	---	---

* Water Bonds were completely paid off during FY92.

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REVENUE BOND COVERAGE - SEWER BONDS
LAST TEN FISCAL YEARS
(In Thousands)

Table 15

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Principal	Interest	Total	Debt Service Coverage
1992	\$168,306	\$81,244	\$87,062	\$2,207	\$759	\$2,966	29.35
1993	175,360	83,484	91,876	2,292	663	2,955	31.09
1994 *	---	---	---	---	---	---	---
1995 *	---	---	---	---	---	---	---
1996 *	---	---	---	---	---	---	---
1997 *	---	---	---	---	---	---	---
1998 *	---	---	---	---	---	---	---
1999 *	---	---	---	---	---	---	---
2000 *	---	---	---	---	---	---	---
2001 *	---	---	---	---	---	---	---

* Sewer Bonds were completely paid off during FY94.

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Table 16

Fiscal Year Ended June 30	Estimated Population (2)	Public School Enrollment (K-12) (2)	Continuing Education Enrollment* (2)	Civilian Labor Force (1)	Unemployment Rate (1)
1992	1,149,598	159,695	167,827	1,180,025	6.5%
1993	1,171,608	167,986	161,316	1,202,566	7.7%
1994	1,184,814	172,761	161,360	1,218,292	7.8%
1995	1,197,676	174,735	168,509	1,222,458	6.8%
1996	1,183,102	156,461	161,105	1,227,952	6.0%
1997	1,197,077	173,344	159,673	1,243,258	4.8%
1998	1,224,848	179,197	164,438	1,289,383	3.8%
1999	1,254,281	182,590	173,002	1,334,167	3.5%
2000	1,277,168	187,462	173,209	1,373,017	3.2%
2001	1,250,700	184,842	186,461	1,417,767	2.3%

*Composed of College, Community College and Adult Schools (Includes part-time).

Sources:

(1) Employment Development Department (EDD)

(2) Table 19

**PRINCIPAL TAXPAYERS IN CITY OF SAN DIEGO
June 30, 2001
(In Thousands)**

Table 17

Taxpayers	Type of Business	Assessed Valuation	Percentage of Net Assessed Valuation (1)	Approximate Tax Paid
Qualcomm Inc.	Electronics	\$435,799	0.48%	\$4,851
Equitable Life Assurance	Investment	351,261	0.38%	3,876
Kilroy Realty LP	Real Estate	330,059	0.36%	3,462
Sea World	Entertainment	265,000	0.29%	2,947
Pacific Gateway	Developer	245,411	0.26%	2,728
University Towne Centre LLC	Shopping Center	220,291	0.24%	2,448
Solar Turbines	Electronics	211,069	0.23%	2,336
Sony Corp. of America	Electronics	227,386	0.24%	2,313
Pardee Construction Co.	Developer	133,376	0.14%	2,151
Horton Plaza LLC	Shopping Center	188,312	0.20%	2,131
		\$2,607,964	2.82%	

(1) Total Net Assessed Valuation of \$91,142,819,000 per Table 5.

Note: This table excludes public utilities, including San Diego Gas & Electric Company, Pacific Bell and American Telephone and Telegraph (AT&T), because valuations within the City of San Diego cannot be readily determined.

Source: County of San Diego Assessor's Office.

COMPARISON OF CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES LAST TEN FISCAL YEARS (In Thousands)

Table 18

Fiscal Year Ended June 30	Construction (1)		Property Values (2)				Deposits (3)			Total
	Residential Construction Permits	Non- residential Construction Permits	Total Valuation	Commercial/ Industrial	Residential	Other	Commercial Banks	Savings & Loans	Credit Unions	
1992	5,058	5,021	672,680	16,868,708	40,930,418	2,137,663	10,073,074	4,513,109	2,316,470	16,902,653
1993	4,497	4,669	622,333	16,154,192	42,291,556	2,246,154	8,062,959	3,382,869	2,930,418	14,376,246
1994	5,453	4,831	800,908	15,411,917	43,273,554	2,277,353	8,678,706	3,379,077	2,553,514	14,611,297
1995	4,887	4,624	815,471	14,975,973	44,197,890	2,300,779	9,684,057	3,088,156	2,544,261	15,316,474
1996	5,243	4,551	846,982	14,804,114	44,513,532	2,278,247	9,306,278	2,847,576	3,545,202	15,699,056
1997	5,907	4,813	1,020,330	15,306,561	45,589,632	2,414,340	10,595,219	3,370,761	3,724,548	17,690,528
1998	7,545	5,804	1,466,646	17,318,763	48,341,937	2,151,401	N/A	N/A	N/A	N/A
1999	7,080	5,186	1,640,853	19,850,778	53,121,440	2,788,667	N/A	N/A	N/A	N/A
2000	6,603	5,766	2,146,478	21,853,386	57,932,679	3,040,634	N/A	N/A	N/A	N/A
2001*	8,227	3,517	1,875,072	24,084,993	63,663,266	3,155,499	N/A	N/A	N/A	N/A

N/A = Not available.

* Beginning in FY 2001, Development Services Department implemented a change in permit classifications.

Source:

(1) City of San Diego Development Services Department

(2) County of San Diego, Office of Assessor.

THE CITY OF SAN DIEGO ANNUAL FINANCIAL REPORT

MISCELLANEOUS STATISTICAL DATA JUNE 30, 2001

TABLE 19

GEOGRAPHICAL LOCATION	Southern Coast of California contiguous to the Mexican Border.	
ALTITUDE OF CITY	Sea Level to 1,591 Feet	
AREA OF CITY (SQUARE MILES)	Land - 330.0	
	Water - 73.0	
	Total - 403.0	
DATE OF INCORPORATION	March 27, 1850	
POPULATION	(Official U. S. Census)	Increase
	1900 - 17,700	
	1910 - 39,578	124%
	1920 - 74,361	88%
	1930 - 147,995	99%
	1940 - 203,341	37%
	1950 - 334,387	64%
	1960 - 573,244	71%
	1970 - 697,027	22%
	1980 - 875,504	26%
	1990 - 1,110,549	27%
	Estimate at January 1, 2001 - 1,250,700	
	Population per Square Mile (Land) - 3,790	
FORM OF GOVERNMENT	Council /Manager	
CITY CHARTER ADOPTED	April 7, 1931	
FISCAL YEAR BEGINS	July 1	
TOTAL NUMBER OF CITY EMPLOYEES	Salaried - 10,571	
	Hourly - 1,699	
	Limited - N/A	
	Total - 12,270	
RAINFALL, 2000-2001 SEASON	8.61 Inches	
AVERAGE SEASONAL RAINFALL DURING LAST 20 YEARS	10.86 Inches	
TEMPERATURE, 2000-2001	Daytime Average - 68.2 F	
	Nighttime Average - 57.0 F	
	Mean Average - 62.6 F	
AVERAGE ANNUAL TEMPERATURE OF FORTY YEAR PERIOD, 1961-2001	64.1 F	
RECREATION:		
PARKS, SQUARES, AND RECREATION CENTERS	Number - 416	
	Acres - 35,482	
SPECIAL FACILITIES	Municipal Golf Courses:	
	City Operated:	
	18-Hole Courses -	3
	9-Hole Courses -	1
	Pitch and Putt Course -	0
	Leased:	
	18-Hole Courses -	2
	Par 3 Course -	1
	Pitch and Putt Course -	2
	Municipal Swimming Pools -	13
	Municipal Stadiums -	N/A
	Municipal Tennis Courts -	25
	Ocean Fishing Piers -	2

THE CITY OF SAN DIEGO ANNUAL FINANCIAL REPORT

MISCELLANEOUS STATISTICAL DATA JUNE 30, 2001

TABLE 19 (Cont'd.)

FIRE PROTECTION	Number of Stations - 43 Number of Employees - 1,237 (Includes EMS)
POLICE PROTECTION	Number of Stations - 10 Number of Employees - 2,739.75 (Includes hourly)
MILES OF ASPHALT, CONCRETE, AND DIRT STREETS AND ALLEYS	3,820
MILES OF SEWERS	2,610
SEWER SERVICE LATERALS	265,212
MUNICIPAL WATER PLANT	Number of Water Meters in Service - 263,468 Average Daily Consumption - 197.96 Million Gallons Average Daily Consumption per Capita - 155.0 Miles of Water Distribution Mains - 3,138.51 Number of Fire Hydrants - 23,476
MUNICIPAL AIRPORTS	Number - 2 Number of Acres - 1,942 Length of Main Runways - 7,999 Feet and 4,600 Feet
UNIFIED PORT DISTRICT:	
WHARVES	Number - 4 Length - 13,055 (Lineal Feet or Berthing) Number of Craft in Port (Excluding Military) - 590 Commercial Tonnage Handled through the Port during the Year - 2,230,000
TIDELANDS	Number of Acres - 5,583
AIRPORTS	Number - 1 Number of Acres - 526 Length of Main Runways - 9,400 Feet
EDUCATION:	
COLLEGES	Number 6 Number of Teachers 7,229 (Includes Part-Time) Number of Students 87,321 (Includes Part-Time)
COMMUNITY COLLEGES AND ADULT SCHOOLS	Number 9 Number of Teachers 2,638 (Includes Part-Time) Number of Students 99,140 (Includes Part-Time)
HIGH SCHOOLS	Number 16 Number of Teachers 1,595 Number of Students 32,207
JUNIOR HIGH SCHOOLS / MIDDLE SCHOOLS	Number 21 Number of Teachers 1,320 Number of Students 26,943
ELEMENTARY SCHOOLS	Number 114 Number of Teachers 4,374 Number of Students 75,705